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REPORT
99-547

MF 148

COAST GUARD AUTHORIZATION ACT OF 1986

APRIL 18, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. JONES of North Carolina, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany H.R. 4208]

[Including cost estimate of the Congressional Budget Office]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H.R. 4208) to authorize appropriations for the Coast Guard for fiscal years 1987 and 1988, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

Page 1, lines 7 and 8, strike out "years 1987, and 1988" and insert in lieu thereof "year 1987".

Page 2, line 2, strike out "for" and all that follows through "1988" on line 3.

Page 2, line 5 and 6, strike out "for each such fiscal year".

Page 2, lines 10, strike out "for" and all that follows through line 11 and insert in lieu thereof the following:

, to remain available until expended.

Page 2, line 13, strike out "for" and all that follows through line 14 and insert in lieu thereof the following:

, to remain available until expended.

Page 2, line 22, strike out "for fiscal years 1987 and 1988".

Page 2, strike out line 23, and insert in lieu thereof the following:

AUTHORIZED LEVELS OF MILITARY STRENGTH AND MILITARY TRAINING .

Page 2, after lines 23, insert the following:

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SEC. 3 (a) For fiscal year 1987, the Coast Guard is authorized an end-of-year strength for active duty personnel of 39,200. The authorized strength does not include members of the Ready Reserve called to active duty under the authority of section 712 of title 14, United States Code.

Page 2, line 24, strike out "SEC. 3." and insert in lieu thereof "(b)".

Page 2, line 24, strike out "years 1987 and 1988" and insert in lieu thereof "year 1987".

Page 4, line 12, insert "(A)" after "(2)":

Page 4, after line 23, insert the following:

(B) The list submitted by the Secretary under this section shall not include—

(1) any activity that is being performed under contract by non-government personnel on the date of enactment of this Act, or

(2) any activity for which Congress received, prior to April 1, 1986, a written notification pursuant to section 14(b)(2) of Public Law 98–557 (98 Stat. 2864), of intent to contract.

Page 5, line 4, after "activity" insert "(other than an activity described in subsection (d))".

Page 5, after line 23, insert the following:

(d) For purposes of this section, industrial activities carried out at the Coast Guard Yard, Curtis Bay, Maryland, and industrial activities carried out at the Coast Guard Aircraft Repair and Supply Center, Elizabeth City, North Carolina, shall be considered to be activities that are necessary to maintain the logistics capability described in subsection (a)(1).

On page 5, after line 23, insert the following new subsection:

(e) Notwithstanding any other provision of law, each contract awarded by the Coast Guard in fiscal years 1987 and 1988 for construction or services to be performed in whole or in part in a State which has an unemployment rate in excess of the national average rate of unemployment as determined by the Secretary of Labor shall include a provision requiring the contractor to employ, for the purpose of performing that portion of the contract in that State, individuals who are local residents and who, in the case of any craft or trade, possess or would be able to acquire promptly the necessary skills. The Secretary of the department in which the Coast Guard is operating may waive the requirements of this subsection in the interest of national security or economic efficiency.

Page 6, line 4 insert "(a)" after "SEC. 7.".

Page 6, after line 20 insert:

(b) The analysis of Chapter 17 of title 14, United States Code, is amended by adding at the end the following:

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"§ 664. Restriction on construction of vessels in foreign shipyards."

On page 9, after line 22, insert the following:

(2)(A) in chapter 75, by adding the following new section:

"§ 7504. Travel and expense reimbursement

"When a requirement to qualify for the issuance of, or endorsement on, a certificate, license, or document under this part is administered at a place at the request of an applicant or an applicant's representative, the applicant or representative may reimburse the Secretary for the travel and subsistence expenses incurred by the personnel assigned to perform the administration of the requirement. Amounts received as reimbursement under this section shall be credited to the appropriation for operating expenses of the Coast Guard.".

(B) in the analysis of chapter 75, by adding the following item:

"7504. Travel and expense reimbursement.";

Redesignate succeeding paragraphs accordingly.

Page 10, after line 5, insert the following new section:

MANNING REQUIREMENTS OF MOBILE OFFSHORE DRILLING UNITS

SEC. 11. (a) Section 2101 of title 46, United States Code, is amended by inserting after paragraph (15) the following new paragraph:

"(15a) 'mobile offshore drilling unit' mean a vessel, other than a public vessel of the United States, capable of engaging in drilling operations for the exploration or exploitation of subsea resources.".

(b) Section 8101(a) of title 46, United States Code, is amended to read as follows:

"(a) The certificate of inspection issued to a vessel under part B of this subtitle shall state the complement of licensed individuals and crew (including lifeboatmen) considered by the Secretary to be necessary for safe operation. A manning requirement imposed on—

"(1) a sailing school vessel shall consider the participation of sailing school instructors and sailing school students in the operation of that vessel; and

"(2) a self-elevating mobile offshore drilling unit when engaged in drilling operations shall consider the specialized nature and economics of the unit.".

(c) Section 8701(a) of title 46, United States Code, is amended by—

(1) strike out "and" at the end or paragraph (6);

(2) striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(3) adding the following new paragraph at the end:

"(8) a mobile offshore drilling unit with respect to individuals, other than passengers or crewmembers re-

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quired by the certificate of inspection, carried on board the unit for the sole purpose of carrying out the industrial business or function of the unit.".

Redesignate succeeding sections accordingly.

On page 11, strike lines 1 through 14.

Redesignate succeeding sections accordingly.

Page 11, strike out line 16 and all that follows through line 7 on page 12 and insert in lieu thereof the following:

SEC. 14. (a) Whenever a vessel is forfeited to the United States, the vessel may be donated, in accordance with the procedures under the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), to an educational institution with a commercial fishing vessel safety program approved by the Secretary of Transportation under subsection (b) that includes at a minimum the following courses in fishing vessel safety:

(1) vessel stability;
(2) firefighting;
(3) shipboard first aid;
(4) marine safety and survival; and
(5) seamanship rules of the road.

(b) An educational institution may apply to the Secretary of Transportation for approval of its fishing vessel safety program. In evaluating the program, the Secretary may consider the adequacy of the course of instruction, the competency of the instructors, and the suitability of the equipment used by or in connection with the school. The Secretary may prescribe regulations to carry out this section.

(c) The donation of a vessel under this section shall be made on terms and conditions considered appropriate by the Federal officer making the donation, including the following:

(1) The educational institution must accept the vessel as is, where it is, and without warranty of any kind and without any representation as to its condition or suitability for use.

(2) The educational institution shall be responsible for maintaining the vessel.

(3) The vessel shall be used only for instructing students in fishing vessel safety.

(4) If the vessel is eligible to be documented, it must be documented by the educational institution as a vessel of the United States under chapter 121 of title 46, United States Code, and the requirements of this subsection shall be stated on the vessel's certificate of documentation.

(5) The educational institution must obtain the prior approval of the Adminstrator of General Services before disposing of the vessel, and any proceeds from the disposal of the vessel shall be payable to the United States Government.

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(d) The United States is not liable in an action arising out of the use of a vessel that has been transferred under this section.

Page 12, line 13, strike out "year 1987 and 1988" and insert in lieu thereof "year 1987".

Amend the title so as to read:

A bill to authorize appropriations for the Coast Guard for fiscal year 1987, and for other purposes.

PURPOSE OF THE LEGISLATION

The primary purpose of H.R. 4208 is to authorize funds for the United States Coast Guard for the 1987 fiscal year. Funding is authorized for operating expenses; acquisition, construction and improvements; research, development, testing and evaluation; and for retired pay. The Secretary of Transportation is authorized to transfer funds from one account to another, subject to certain limitations and notification requirements. Any other federal officer to whom funds are appropriated for Coast Guard purposes may also transfer those funds to the Secretary of Transportation.

The legislation would also authorize an end of year strength for active duty military personnel for fiscal year 1987, as well as student levels for various categories of Coast Guard training.

In addition the bill would:

Prohibit the construction of Coast Guard vessels or major components of Coast Guard vessels in foreign shipyards;

Add Martime Defense Zone Command responsibilities to the list of statutorily enumerated Coast Guard duties;

Establish a procedure for Congressional review of proposals to contract out certain Coast Guard functions and activities to the private sector, prohibit contracting of Coast Guard activities determined by the Secretary of Transportation to be essential to the security, safety, and economic and environmental welfare of the United States, and encourage the hiring of local workers in carrying out certain Coast Guard contracts;

Authorize the Coast Guard to reimburse members of the Coast Guard Auxiliary for interest on valid claims, if the claims are not paid within 60 days;

Require that the Coast Guard make full use of available and qualified units of the Coast Guard Auxiliary in rendering aid to distressed persons;

Make a series of technical and conforming amendments to titles 14 and 46, of the U.S. Code;

Require that the Coast Guard consider the specialized nature of self-elevating or jack-up Mobile Offshore Drilling Units when determining the manning requirements on those units and exempt workers who carry out solely industrial activities from the requirement to carry merchant mariners' documents;

Require that operators of vessels that tow disabled vessels for consideration be licensed by the Coast Guard;

Provide that one to two percent of the funds in the Boating Safety Account of the Aquatic Resources Trust Fund shall be

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used for the federal costs of administering state recreational boating safety programs;

Authorize the transfer of forfeited vessels to educational institutions that have approved programs in fishing vessel safety;

Prohibit the Coast Guard from training government employees or members of the armed forces of South Africa during fiscal year 1987; and

Require the Secretary of Transportation to continue to report to Congress on the status of polar icebreaking vessel design and construction plans.

Background

The Coast Guard, created in 1915, is responsible for the performance of federal functions which trace their beginnings back to the founding of the United States. The Coast Guard has assumed the duties of five previously established agencies: the Lighthouse Service, established in 1789; the Revenue Cutter Service, established in 1790; the Steamboat Inspection Service, established in 1838; the Life-Saving Service, established in 1848; and the Bureau of Navigation, established in 1884.

Today's Coast Guard operates as a part of the Department of Transportation, with primary responsibility for the promotion of safety of life and property at sea; the enforcement, or assistance in enforcement, of all applicable Federal laws (including fisheries and drug laws) on and under the high seas and United States waters; the maintenance of aids to maritime navigation; the protection of the marine environment; icebreaking activities; and the safety and security of vessels, ports, waterways, and their related facilities.

The Coast Guard, as a military service and a branch of the Armed Forces, also maintains a readiness to operate as a specialized service in the Navy upon the declaration of war or when the President directs.

The legal responsibilities of the Coast Guard have expanded enormously over the past 20 years as the result of the passage of a series of maritime-related laws. These include:

The Water Quality Improvement Act of 1970, which required the Coast Guard to develop anti-pollution measures—including vessel sewage standards—and investigate pollution incidents;

The Federal Boat Safety Act of 1971, which empowered the Coast Guard to prescribe standards for the manufacture and construction of pleasure boats and associated equipment;

The Vessel Bridge-to-Bridge Radiotelephone Act of 1971, which authorized the Coast Guard to administer and enforce regulations requiring approaching vessels to maintain radio contact for communicating their intentions;

The Federal Water Pollution Control Act of 1972, which gave the Coast Guard major responsibility for coordinating oil spill cleanup and for management of an oil pollution fund;

The Ocean Dumping Act of 1972, which gave the Coast Guard enforcement authority over ocean dumping and marine sanctuaries;

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The Port and Waterways Safety Act of 1972, which delegated to the Coast Guard major responsibility for ensuring the safety of ports and merchant vessels;

The Intervention on the High Seas Act of 1974, which authorized Coast Guard intervention to control or eliminate oil pollution which may be dangerous to the United States or which stems from high seas casualties involving either domestic or foreign vessels;

The Tran-Alaska Pipeline Act of 1974, which required the Coast Guard to establish a vessel traffic service system in Prince William Sound;

The Hazardous Materials Transportation Act of 1975, which gave the Department of Transportation lead authority over regulating transport of hazardous materials;

The Fishery Conservation and Management Act of 1976, which assigned enforcement responsibility for expanded U.S. fisheries jurisdiction to the Coast Guard and the National Marine Fisheries Service;

The Port and Tanker Safety Act of 1978, which set minimum design and construction standards for tankers and authorized the Coast Guard to inspect foreign tankers, evaluate their crew standards, and monitor oil lightering operations in U.S. offshore waters;

The Natural Gas Pipeline Safety Act of 1978, which required regulation of the transportation of liquified natural gas on navigable waters of the United States;

The Coast Guard High Seas Drug Law Enforcement Act of 1980, which revised the laws relating to the importation of drugs to facilitate increased enforcement by the Coast Guard; and

The Act to Prevent Pollution from Ships of 1980, which gave the Coast Guard authority to administer and enforce certain international requirements through certification and inspection requirements, to determine the adequacy of reception facilities, and to require prompt reports of pollution incidents.

More recently, the Coast Guard has been assigned, pursuant to Executive Order, the responsibility for carrying out the Haitian Migrant Interdiction Operation. Under a memorandum of understanding with the Department of Defense, Coast Guard officers have also been assigned command roles with respect to the Atlantic and Pacific Maritime Defense Zones of the United States.

To achieve its objective, the Coast Guard has established seven missions or programs that are used as a basis for budgetary considerations. They are: Search and Rescue; Aids to Navigation; Marine Safety; Marine Environmental Protection; Enforcement of Laws and Treaties; Marine Science and Polar Ice Operations; and Military Readiness.

Despite the steady increase in its responsibilities, the Coast Guard's end of the year employment of military and civilian full-time permanent personnel is projected to be 43,978 at the end of the fiscal year 1987. This number is 1,827 less than the comparable figure for 1980.

In 1981, the Committee on Merchant Marine and Fisheries approved a comprehensive oversight report entitled "Semi-Paratus:

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The United States Coast Guard, 1981." That Report documented the existence of a serious imbalance between Coast Guard responsibilities and resources and found that the imbalance was causing a steady deterioration in the ability of the Coast Guard to carry out its missions effectively.

The report contained five general recommendations which are listed below:

(1) The Coast Guard should give its highest priority to the performance of its at-sea operational missions. Funds should be authorized and appropriated for the Coast Guard so that it can fully meet its program goals for search and rescue, while making steady progress toward achieving its law enforcement and military readiness objectives.

(2) High priority should be given to improving and modernizing the aids to navigation program. Planned procurement and renovation projects for this mission should go forward on schedule. Methods to improve the effectiveness of the program in inland navigable waters should be explored, including the possible transfer of responsibility to the Army Corps of Engineers, changes in Coast Guard personnel management procedures, and the greater use of civilian program personnel.

(3) To support its high priority missions, the Coast Guard must be provided with the resources necessary to perform essential training particularly in law enforcement, to conduct a vigorous program of research and development, and to ensure the effective routine maintenance of its cutters, aircraft, and shoreside facilities.

(4) The Coast Guard should be relieved of any responsibilities which can be fulfilled with equal or greater competence and efficiency by other federal agencies, by state or local governments, or by the private sector. Particularly strong consideration should be given to the transfer of some duties in the areas of Bridge Administration, Commercial Vessel Safety, towing and salvage operations, and icebreaking.

(5) Congress should consider whether or not the user fee concept can equitably be applied to some Coast Guard services. If so, passage of such legislation would, along with the enactment of a comprehensive oil pollution liability and compensation bill, help to minimize the cost of the Coast Guard to the Federal government.

The process of implementing these recommendations began with the enactment of the Coast Guard Authorization Act of 1982 (Public Law 97-322), and continued with the Coast Guard Authorization Act of 1984 (Public Law 98-557). Together, these laws authorized funding for basic Coast Guard accounts from fiscal 1983 through fiscal 1986.

The two statutes authorized a substantial increase in funding for the Coast Guard, repealed a number of burdensome bureaucratic obligations which had been placed upon the service, and encouraged an ongoing evaluation of the relationship between the Coast Guard and the private sector with respect to functions not directly related to operational responsibilities at sea.

Since 1981, Congress has approved more than $2 billion more for the Coast Guard than has been requested by the Administration. This fact illustrates the strong belief on the part of Congress that the missions of the Coast Guard—particularly search and rescue,

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law enforcement, and military readiness—are essential to the health, safety and security of the United States.

Major controversy surrounded the adoption of the budget for the Coast Guard for the 1986 fiscal year. This was precipitated by a vote in the Senate to cut $230 million from the amount previously adopted by the House for Coast Guard operating expenses. Several legislative developments subsequently occurred in response to public and Congressional concern about the potential effects of this kind of major budget reduction on the Coast Guard. Specifically:

Congress approved an amendment to the Defense Department Authorization Act (Public Law 99-145) to make $15 million available from the Defense Department budget to place 500 Coast Guard law enforcement personnel on appropriate Navy vessels in areas where drug trafficking is suspected;

The House approved an amendment to the Defense Appropriations bill to provide $100 million in Defense Department operating funds to the Coast Guard for use in fulfilling its military responsibilities (this amendment was later incorporated into the Omnibus Continuing Resolution for fiscal 1986—Public Law 99-184); and

Congress added $375 million to the Defense Department budget to create a Coastal Defense Augmentation Fund, to be used by the Navy to acquire equipment for the Coast Guard (also in Public Law 99-184).

The overall effect of these actions was to leave the Coast Guard in 1986 with $21 million less than the President had requested for operating expenses, and with $289 million more than the Administration had requested for procurement.

These relatively generous figures do not, however, take into account the automatic budget reductions that have resulted from passage of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), popularly known as the Gramm-Rudman-Hollings law. These reductions, which became effective on March 1, 1986, have resulted in a cut of $106 million in the Coast Guard budget, including $76 million in the operating expenses account.

The effect of this change has been to reduce substantially the Coast Guard's operating capabilities throughout the country. In an effort to save non-essential expenses, the Coast Guard has reduced patrols, training, small-scale procurement, and equipment maintenance. This reduced level of operating is expected to continue through the end of the current fiscal year, but no one believes it to be an adequate long term approach for dealing with shortfalls in the Coast Guard's budget.

If it should become clear that full funding for the Coast Guard's operating account is not going to be forthcoming, the Coast Guard intends to reduce its level of personnel, close stations, and mothball equipment. Coast Guard officials believe it will make more sense for the Coast Guard to derive full value from a reduced quantity of people and equipment than it would to continue trying to support its full complement of people and equipment with insufficient funds.

The Administration's proposed budget for the Coast Guard for fiscal year 1987 would provide the service with enough funds to avoid significant reductions in operations or personnel. The

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amount requested for procurement, however, is not sufficient to meet essential needs without a re-programming of money appropriated in 1986 and already earmarked by Congress for particular projects.

Further complicating the budget picture for 1987 will be the sequestration order that may have to be issued by the President on September 1, 1986, pursuant to Public Law 99-177. Unless progress is made in reducing the deficit by that time, the effect on the Coast Guard could be several times as harmful as it has been in 1986.

Committee Action

H.R. 4208 was introduced on February 20, 1986, by Mr. Studds, for himself, Mr. Jones of North Carolina, Mr. Lent, Mr. Davis, Ms. Mikulski, Mr. Biaggi, Mr. Hughes, Mr. Young of Alaska, Mr. Foglietta, and Mr. Barnes.

Hearings

The Subcommittee on Coast Guard and Navigation held six legislative and oversight hearings in preparation for action on this bill.

October 9, 1985: Contracting and Delegation of Coast Guard Activities.

On October 9, 1985, the Subcommittee met to discuss the delegation and contracting of Coast Guard activities to the private sector.

Witnesses testifying at the hearing were Admiral James Gracey, Commandant of the Coast Guard, Mr. John Borum, Senior Vice President of the American Bureau of Shipping (ABS), Mr. John R. Huff, representing the International Association of Drilling Contractors, Mr. Richard Hiscock, representing the U.S. Life-saving Manufacturers' Association, Mr. Peter Luciano, Executive Director, Transportation Institute, Mr. Fred Schillreff, Executive Director of the Federal Firefighters Association, and Mr. James Talley, President of the Baltimore Area Metal Trades Council.

The first witness was Admiral Gracey, the Commandant of the Coast Guard. In his opening remarks, he explained that the Coast Guard's efforts to contract with the private sector for performance of Coast Guard activities were complicated by the multi-mission nature of the Coast Guard. He continued by describing the manner in which the Coast Guard was seeking to contract with the private sector in compliance with OMB circular A-76, and through a trial aids to navigation contracting program. He also outlined the areas of ongoing and proposed delegation of commercial vessel safety functions to the American Bureau of Shipping.

The Commandant was questioned about the Coast Guard's plans to contract with the private sector for the operation of the Long Range Aids to Navigation (LORAN) system. The Commandant replied that the Coast Guard would monitor the stations, but would contract out for the operation of the stations. Admiral Gracey indicated that the A-76 process within the Coast Guard and Congressional oversight of that process were working well.

With respect to the Coast Guard's aids to navigation contracting experiment, the Commandant testified that the Coast Guard was proceeding with the experiment seriously but cautiously. He added

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that Congressional intent with respect to aids to navigation contracting has been unclear.

The next panel of witnesses testified on the delegation of Coast Guard responsibilities to third parties. Mr. Borum summarized the activities the ABS currently performs on behalf of the Coast Guard, and indicated which activities were being considered for future delegation. He testified that the ABS and the Coast Guard have a very good working relationship.

The second panel discussed Coast Guard contracting. Mr. Luciano testified that the private sector is capable and anxious to begin performing some of the aids to navigation work of the Coast Guard. Mr. Schillreff stated his organization's belief that firefighting is an activity which is inherently governmental, and hence, should not be contracted for performance by the private sector. Mr. Talley testified that contracting out the jobs of civilians employed at the Coast Guard Yard in Curtis Bay, Maryland would not be economically efficient.

October 23, 1985: Hearing on Coast Guard Drug Law Enforcement and Military Readiness Missions.

On October 23, 1985, the Subcommittee met to discuss the drug law enforcement and military readiness missions of the Coast Guard.

Witnesses testifying at the hearing were Admiral Gracey, accompanied by Vice Admiral Paul Yost, and Vice Admiral John Costello; Commodore Edward Clexton, Jr., U.S. Navy, Fleet Operations and Readiness Division; Rear Admiral Robert Spiro, Jr., National Executive Director, Reserve Officers Association of the United States and Mr. Peter Finnerty, National Vice President for Maritime Affairs and Communications, Navy League of the United States.

Admiral Gracey summarized his statement, highlighting trends in drug trafficking and interdiction and describing the Coast Guard's military readiness activities. He explained that there had been an increase in the efforts of drug smugglers to conceal the transport of drugs in response to the Coast Guard's interdiction activities. He described the shift in Coast Guard strategy from one of constant surveillance of choke points to one of "surprise" multiagency interdiction operations. He further described the drug law enforcement assistance the Coast Guard has been receiving from the Navy. He then discussed joint Navy-Coast Guard efforts to prepare for the coastal defense of the United States. He described the Maritime Defense Zone concept as including coastal and harbor defense, port security, and maritime surveillance.

The second witness was Commodore Clexton of the Navy. He testified that it is the policy of the Navy to provide the fullest cooperation and assistance to drug law enforcement agencies consistent with public laws. He noted that our coastal defense had become neglected in the years after World War II and that the Maritime Defense Zone would provide for costal defense by the Navy Reserve, the Coast Guard, and the Coast Guard Reserve.

In response to a question the Coast Guard witnesses explained that the coastal defense threats are very different on the Atlantic Coast than they are on the Pacific Coast. They also said that the retrofitting of large Coast Guard cutters with Navy weaponry will

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not be conducted in the manner originally planned and that the Coast Guard's reserve strength is not adequate for coastal defense needs.

Admiral Spiro, the next witness, testified that in the area of coastal defense, the Coast Guard suffers serious shortages in Reserve personnel. He also testified that recent reductions in the Coast Guard's travel expenses have hurt the Coast Guard's military readiness mission.

Mr. Finnerty, the final withness applauded the establishment of the Maritime Defense Zones and expressed concern about proposed reductions in the Coast Guard's budget.

December 4, 1985: Coast Guard Procurement Plans and Policies.

On December 4, 1985, the Subcommittee held a hearing on Coast Guard procurement plans and policies. The purpose of the hearing was to examine the relationship between the Coast Guard's missions and the adequacy of equipment available to carry out those missions. In addition, the Subcommittee reviewed the status of the Coast Guard's major contracting initiatives and the effectiveness of Coast Guard procedures for procurement and contract management.

Admiral Gracey, the only witness at the hearing, admitted in his opening statement that there is room for improvement in the Coast Guard's procurement process. He outlined some of the actions the Coast Guard planned to take to accomplish these improvements. He added, however, that he believed that reports of the inadequacies and problems associated with the Coast Guard procurement process were often exaggerated.

The Commandant was asked to list the actions the Coast Guard planned to take in response to a Logistics Management Institute study on Coast Guard procurement. He responded that the creation of an Office of Acquisition and Contract Management was planned. He added that the Coast Guard also planned to increase and improve its training program.

In response to a question, Admiral Gracey said he would support legislation to require that the polar icebreakers the Coast Guard is currently planning to procure be built in U.S. shipyards.

February 6, 1986: Coast Guard Authorization: Budget Issues.

On February 6, 1986, the Subcommittee met to discuss the effects of the Balanced Budget and Emergency Deficit Control Act of 1985 (the Gramm-Rudman-Hollings law) on the Coast Guard and also to review the President's proposed budget request for 1987. The only witness was Admiral Gracey, who was accompanied by Vice Admiral Benedict Stabile, Rear Admiral Donald Thompson, Captain John Trainor, and Captian Kent Williams.

Admiral Gracey, explained that the Administration's 1987 budget request of $2.4 billion would fund essentially the same programs as the President's 1986 budget. He outlined the requests and provisions of each of the accounts within the Coast Guard budget and the effects of Gramm-Rudman-Hollings legislation on Coast Guard appropriations.

Under questioning, Admiral Gracey indicated that the Coast Guard would have to cut operating expenses by $76 million under the March 1 sequestration deadline of the Gramm-Rudman-Hollings law. Gracey added that this loss of funds was in addition to a

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$66 million shortfall in operating funds that the Coast Guard already was experiencing in the 1986 fiscal year. Gracey was unable to tell the Subcommittee what the Coast Guard might have to do to cope with the cutbacks, other than to say that he was hopeful that extra funds might be forthcoming from the Department of Transportation including perhaps a request to transfer some acquisition, construction and improvements (AC&I) funding to operating expenses as permitted by law.

Subcommittee Members then raised the possibility of increasing the amount of AC&I money available for transfer to the operating expenses account, especially AC&I funds currently set aside for the Coast Guard in the Defense Department budget. Gracy indicated that, while he would not oppose having the flexibility to use more AC&I funds for operating purposes, he would not want to be directed by Congress to do so.

February 25, 1986: Coast Guard Authorization: Public Witnesses.

The Subcommittee held a hearing on February 25, 1986, inviting public witnesses to comment on a draft version of the Coast Guard authorization legislation for fiscal years 1987 and 1988. Testimony was heard from the following witnesses: The Honorable Michael Barnes, member of the House of Representatives from the State of Maryland; Master Chief Petty Officer Carl Constantine, U.S. Coast Guard; Commodore Chris Lagan, National Commodore, U.S. Coast Guard Auxiliary; Mr. Bernard Bennett, National President, Navy League; Captain Roy Moody, Director of Naval Affairs, Reserve Officers Association; Sergeant Major C.A. "Mack" McKinney, Legislative Counsel, Non-Commissioned Officers Association; Commodore Len Berman; former National Rear Commodore, United States Coast Guard; Mr. Joe Frohnhoefer, President, Sea Tow International Services; Mr. Neil Shrock, President Great-Lakes Pre-Paid Towing Association; Mr. Richard Schwartz, President, Boat Owners Association of the United States; Mr. Jim Boyce, President, Woods Hole Towing Company; Mr. Dave Dupee, Tug Nancy J Marine Services, East Falmouth, Massachusetts; Mr. John Andrews, Harbor Ready Marine, Wickford, Rhode Island; Mr. Tim Peregoy, Peregoy Marine Towing and Salvage, Annapolis Maryland; Mr. George Stewart, Chairman, Legislative Committee, National Association of State Boating Law Administrators; Mr. Ron Stone, Director, Governmental Relations Department, National Marine Manufacturers Association; Ms. Eve Finch, President, National Boating Federation; Mr. Kenneth Sheehan, Vice President and Counsel, American Bureau of Shipping; Mr. Paul Brunsell, Regional Manager, U.S.A. Det Norske Veritas; and Mr. Gary Kott, President, Global Marine Drilling Company of behalf of the International Association of Drilling Contractors.

Congressman Barnes, the first witness, testified in favor of a healthy budget for the Coast Guard.

The first panel of witnesses included the Coast Guard's Master Chief Petty Officer Carl Constantine and the U.S. Coast Guard Auxiliary Commodore Chris Lagen. Master Chief Constantine testifed that enlisted personnel are primarily concerned with obtaining adequate medical care, affordable housing, and educational opportunities, and that they seek to retain the current retirement system. He said that, in spite of budget reductions within the Coast

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Guard, morale was surprisingly high. He added that a serious problem for enlisted personnel was the cramped living conditions aboard the cutters. Commodore Lagen testified that he believed the Auxiliary should be exempt from Current Coast Gaurd policy regarding non-emergency assistance. Under that policy, the Coast Guard must determine that no commercial towing firms are available for non-emergency search and rescue cases before sending out the Auxiliary. He responded to a question regarding the capabilities of Auxiliary vessels by explaining that the vessels are equipped to tow and that the crews are trained to do search and rescue.

The second panel of witnesses included Mr. Bennett, Captain Moody, and Sergeant Major McKinney. All three witnesses testified in support of adequate funding for the Coast Guard and in opposition to any plan to transfer the Coast Guard to the Department of Defense. Both Mr. Bennett and Captain Moody testified in support of the proposal to prohibit the contracting of the essential logistics activities of the Coast Guard. Mr. Bennett also voiced his opposition to any plan to "privatize" Coast Guard functions. Captain Moody expressed support for an increase in the Reserve strength of the Coast Guard. He testified that budget cuts would affect the Reserve by decreasing training and reducing the number of boats available to the Reserve.

The third panel included Commodore Berman, Mr. Frohnhoefer, Mr. Shrock, and Mr. Schwartz. Commodore Berman testified in favor of the proposal that the Coast Guard make full use of the Auxiliary. He said that the Auxiliary accounts for only a small portion of the Coast Guard's budget and added that the private sector is not equipped to do the job of the Auxiliarists. He characterized the Coast Guard Auxiliary as "one of the last bastions of volunteerism that this country has going for it."

Mr. Frohnhoefer, the second witness on the panel, testified that the proposal that would require the Coast Guard to send available Auxiliarists on search and rescue cases, instead of calling private towing firms (section nine of H.R. 4208), would contradict the government's policy of non-interference with the private sector. He added that Auxiliary vessels do not generally carry proper towing equipment. He also added that the Auxiliary poses a large financial liability to the Government. He did, however, express support for the proposal to require licensed operators on all towing vessels that tow disabled vessels. Mr. Shrock also testified in opposition to section nine of the legislation. He argued that the Auxiliary should be subject to the same limitations as the Coast Guard with regard to competition with private firms. He said that in his area of the country, the Coast Guard had not been turning non-emergency calls over to commercial operators, despite a Commandant's directive to do so. He expressed support for a requirement that there be licensed operators on all commercial vessels that tow disabled vessels. Mr. Schwartz noted in his remarks that the cost of the Auxiliary ($6 million) is entirely paid for by the federal tax on motorboat fuel, $15 million of which goes to the Coast Guard for boating programs.

In response to questioning Commodore Berman indicated that a decline in the enrollment of the Auxiliary has resulted, in part, from the Coast Guard's policy of calling private towing and salvage

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firms before sending the Auxiliary in non-emergency situations. In response to a question regarding the qualifications of Auxiliary members, Commodore Berman said that Auxiliary vessels are inspected by the Coast Guard and must meet certain requirements before they are eligible for search and rescue work. Mr. Schwartz added that only highly trained Auxiliarists are permitted to do search and rescue work.

The fourth panel included Mr. Boyce, Mr. Dupee, Mr. Andrews, and Mr. Peregoy representing commercial towing firms. They all testified in opposition to section nine of the legislation regarding the use of the Coast Guard Auxiliary. Their comments generally commended the work of the Auxiliary, but they expressed doubt about their own ability to remain in business if the Auxiliary were permitted to respond to search and rescue cases in place of available commercial salvors. They asserted that the Coast Guard's existing commercial towing policy was not being implemented uniformly in all Coast Guard districts. They also indicated that Auxiliary coverage varies significantly from one part of the country to another. Mr. Boyce suggested that, if section nine were enacted, Auxiliarists should be required to carry operators' licenses and that consideration should be given to government subsidization of insurance for private towing firms.

The fifth panel included representatives from the National Association of Boating Law Administrators (NASBLA), the National Marine Manufacturers (NMMA), and the National Boating Federation (NBF). Mr. Stewart of NASBLA testified in opposition to the Administration's proposal to reduce to $15 million the federal funding available to states for recreational boating safety programs. He expressed his support for the proposal that all tow boat operators be licensed by the Coast Guard. Mr. Stone reiterated Mr. Stewart's position with respect to the funding of boating safety programs. He said that funding reductions will undermine the ability of state governments to carry out law enforcement, education, and other boating safety programs. He also suggested that the $45 million ceiling on the source of funding for Coast Guard and state recreational boating safety programs be reevaluated in light of the amount recreational boaters spend on motorboat fuel taxes. Ms. Finch also testified the Administration's proposed fiscal year 1987 budget for Coast Guard recreational boating services.

The final panel included representatives from the American Bureau of Shipping (ABS), Det Norske Veritas (DNV), and the International Association of Drilling Contractors (IADC). Mr. Sheehan of ABS expressed his view that the United States should not delegate vessel inspection responsibilities to foreign based classification societies, but should instead continue to rely solely on the ABS. He said that competition among classification societies would lead to a reduction in safety and would burden the Coast Guard with increased oversight expenses. Mr. Brunsell of DNV pointed out that in most countries of the world, including Norway, England, and Germany, classification societies compete with each other, and that safety has been enhanced because of that competition. Mr. Kott of IADC testified in behalf of delegation to classification societies in addition to the ABS, such as DNV or Lloyds of London. He also identified two problems related to Coast Guard

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regulation of Mobile Offshore Drilling Unite (MODU) operations. The Coast Guard has, under the 1984 recodification of title 46, he explained, identified jack-up mobile offshore drilling units as vessels, even when they are on location with their legs resting on the sea floor. This finding has subjected these units to the same regulatory requirements as vessels. His second concern was over the requirement that industrial workers on MODUs are required to carry merchanst mariners' documents, even though their work does not involve the navigation of the vessel.

March 13, 1986: Coast Guard Authorization, Coast Guard Perspective.

On March 13, 1986 the Subcommittee held its third legislative hearing on H.R. 4208.

Admiral Gracey was the sole witness at the hearing. In his prepared remarks, he noted that the Coast Guard's fiscal year 1987 budget request totaled $2.4 billion in budget authority and emphasized mission support and safety, defense readiness, and maritime law enforcement. He recommended that the funding levels of H.R. 4208 be made consistent with the President's request and that the bill be limited to a one year authorization. He also expressed his opposition to section five of the bill, which would limit contracting performed by the Coast Guard. With regard to section nine, Admiral Gracey stated his own strong personal support for the Coast Guard Auxiliary, but expressed concern that the section might limit the flexibility of Coast Guard operational commanders in responding to search and rescue calls.

Subcommittee Action

The Subcommittee on Coast Guard and Navigation met on March 18, 1986 to consider H.R. 4208 and approved the bill, with six amendments, by unanimous voice vote.

The first five amendments were offered en bloc by Mr. Studds. The first two restricted the scope of several sections of the bill to one fiscal year. Mr. Studds explained that the Subcommittee was not able to predict adequately what Coast Guard needs would be in 1988.

The third amendment offered by Mr. Studds added a provision authorizing the end of year strength for military personnel of the Coast Guard of 39,200. That number was higher than the 38,652 proposed by the Administration. The difference reflected the assumption that the government would continue a program, begun in 1986, whereby the Department of Defense was required to pay for the placement of boarding teams (TACLETS) on certain Navy vessels. The higher number would also allow for a possible increase in Coast Guard appropriations for anti-terrorism activities associated with its port security and port safety programs.

The fourth amendment offered by Mr. Studds revised and clarified Section 14, which deals with the treatment of certain vessels forfeited to the government. Section 14 authorizes the transfer of vessels to educational institutions that have an approved program in fishing vessel safety. The amendment made it clear that the vessels are to be transferred in accordance with an existing federal donation program administered by the General Services Administra-

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tion. The amendment limited the recipient school's use of the vessel to eductional activities, insured that the proceeds of any sale of the vessel would be paid to the United States, and required that the school's legal responsibilities and restrictions with respect to the vessel must be noted on the vessel's certificate of documentation.

The fifth amendment offered by Mr. Studds added a new Section 11 entitled "Manning Requirements of Offshore Drilling Units." The amendment addressed two concerns raised in testimony before the Subcommittee by the International Association of Drilling Contractors (IADC). That testimony was prompted by the fact that the 1984 recodification of title 46 of the U.S. Code inadvertently established a requirement that self-elevating Mobile Offshore Drilling Units (MODUs) should be subject to the same manning requirements as vessels. A self-elevating MODU, or jack-up rig, has vessel characteristics when being moved to or from a drill site; but when the unit is engaged in operations on the drill site, its deck structure is perched 50 feet or more above the water on legs that rest on the sea floor. The amendment required that the Secretary of Transportation consider the specialized nature of these drilling units, that is, their ability to change from vessel to bottom-bearing platform, when determining their manning requirements. This amendment is not intended to affect the Coast Guard's present treatment of manning requirements for semi-submersible MODUs and drill ships.

This amendment also addressed the concern raised by teh IADC regarding the possibility that, under current law, all personnel aboard a MODU could be required to obtain merchant mariners' documents. The amendment makes it clear that those on board whose functions are solely industrial in nature, as oposed to those involved in navigation, shall not be required to obtain merchant mariners' documents.

The five amendments were approved by voice vote.

Mr. Davis them offered an amendment on behalf of Mr. Young of Alaska. The amendment would have required the Coast Guard to hire qualified local workers, if available, when carrying out contracts in Alaska and Hawaii whenever the unemployment rate in these states exceeds the national average. The amendment permited the Secretary of Transportation to grant an exemption to the requirement for either national security or economic reasons.

Mr. Davis then offered a substitute amendment to the amendment to make its provisions applicable to all states. The Subcommittee approved Mr. Davis' amendment by voice vote, and then approved Mr. Young's amendment as amended, also by voice vote.

Full Committee Action

The Full Committee on Merchant Marine and Fisheries met on April 9, 1986 to consider H.R. 4208, and approved the bill, with four amendments, by unanimous voice vote.

The first amendment was offered by Mr. Young of Alaska. It would amend the merchant seamen licensing and documentation laws in Part E of title 46, U.S. Code. It would permit an applicant to pay travel and subsistence expenses incurred by the Coast

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Guard in administering licensing requirements if performed away from Coast Guard offices at the request of an applicant or a representative of the applicant. Mr. Young explained that if an educational institution offers a course of instruction to prepare for a licensing examination, that institution, on behalf of the class of students, could arrange for administration of the examination at the institution by paying travel and expenses of the Coast Guard personnel administering the examination. He further explained that the time and place of the examination should be mutually acceptable to the applicants and the Coast Guard. Mr. Young added that no other fee was authorized or intended by this amendment, but that it was merely a provision to make it convenient for applicants to qualify for merchant marine licenses and documents when the budget of the Coast Guard does not provide for such travel. He noted that this provision is similar to the requirements under section 3317 of title 46 under which the Coast Guard is reimbursed for performing inspections overseas. Amounts received as reimbursement under this provision are to be credited to the operating expense account of the Coast Guard appropriation.

The second amendment was offered by Mr. Studds. It amended section five of the bill, "Limitations on Contracting Performed by the Coast Guard". The amendment made clear the Committee's intent not to limit the ability of the Coast Guard to proceed with contracting that is already underway as of the date of enactment of the bill, or with proposed contracting about which Congress had been notified as of April 1, 1986, pursuant to section 14 of the Coast Guard Authorization Act of 1984 (P.L. 98-557).

The third amendment was offered by Mr. Studds. It deleted section 14 of the bill, and re-designated subsequent sections accordingly. Section 14 would have raised the threshold of applicability of three federal laws related to procurement as they affect the Coast Guard.

The fourth amendment was offered by Ms. Mikulski. It provides that the industrial activities carried out at the Coast Guard Yard and at the Coast Guard Aircraft Repair and Supply Center shall be deemed necessary to maintain the Coast Guard's logistics capability. The effect of this amendment is to require the Secretary of Transportation to include these activities on the list of essential Coast Guard activities required by that section.

All four amendments were approved by voice vote.

SECTION-BY-SECTION SUMMARY

SECTION 1: SHORT TITLE

This section provides that this Act may be cited as the Coast Guard Authorization Act of 1986.

SECTION 2: AUTHORIZATION OF FUNDS

This section authorizes funds for Coast Guard expenses in various budget categories for the 1987 fiscal year.

The section authorizes funds in accordance with the following table:

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[Numbers in billions]

Account	1986 (actual)	1986 (reflecting Public Law 99-177	1987 (administration request)	1987 (proposed authorization)
Operating expenses	1.717	1.691	[1] 1.862	1.862
AC&I	.532	.564	.077	.300
Research and development	.021	.020	.0205	.035
Bridge alteration	.005	.005	.00	.00
Retired pay	352	.350	.354	([2])

[1] Includes $30 million to be transferred from boating safety account.
[2] Such sums as necessary.

Paragraph (1) authorizes $1,862,800,000 for operating expenses for fiscal year 1987. This number is equal to the amount proposed by the President for expenditure from this account during 1987, although the Administration has requested that $30 million of this total be derived from the Boating Safety Account of the Aquatic Resources Trust Fund.

This number is $87,200,000 less than the amount authorized for 1986, $95,800,000 more than the amount originally appropriated for that year, and $171,800,000 more than appropriations, if the effects of the Gramm-Rudman-Hollings law are considered.

This amount is sufficient to maintain the Coast Guard's military personnel level at at least the 38,652 proposed by the Administration. The Committee wants to emphasize the importance of the operating expenses account to the successful performance of Coast Guard missions. Reductions in this account in 1986 resulted from the failure of Congress to appropriate the full amount requested by the President from the sequestration process required under the Gramm-Rudman-Hollings law, and from the Administration's unwillingness to request funds to pay for mandated increases in military pay. These reductions have led directly to cuts in Coast Guard patrols, training, purchase of spare parts, and maintenance of equipment. The Coast Guard cannot give full value to the country if it is denied the ability to make full use of the personnel it has procured. It is critical to the national interest that the full amount of operating expenses be appropriated so that the Coast Guard can resume the efficient and effective performance of its missions.

The Committee notes that guidance to the Coast Guard has been provided in other legislation in recent years with respect to the proper allocation of Coast Guard operating expenses On occasion, the Coast Guard has been denied funds equal to the Administration's request and instructed simultaneously to increase its level of operations in certain geographical or functinonal areas.

The fact is that the Coast Guard peforms a host of services that are vital to the national security, health, and safety of the United States. Its most important mission is search and rescue, because it involves the saving of human lives. Other missions of particular importance include law enforcement, military readiness, marine safety, and aids to navigation.

The Committee urges the Commandant to make the most efficient and effective use possible of the resources appropriated to this account. Within available funds, the Committee urges that

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every effort be made, in particular, to maintain the Coast Guard's ability to respond promptly and successfully to calls for search and rescue assistance in emergency situations. The Committee also urges that adequate attention be devoted to the fisheries component of the Coast Guard's law enforcement mission and that the necessary actions should be taken to enforce the recent bilateral agreement between the U.S and Japan with respect to high seas salmon.

Paragraph (2) authorizes $300 million for acquisitions, construction and improvements (AC&I) for 1987. This number is $223 million above the President's request, but $292 million less than Congress appropriated in 1986, and $380 million less than the 1986 authorization. The number is $296 million less than 1986 appropriations, if the effects of the Gramm-Rudman-Hollings law are taken into account.

The difference between the authorization number in this paragraph and the Administration request is primarily attributable to the Administration's plan to derive $190 million for 1987 projects from the $375 million Coastal Defense Augmentation fund included last year within the budget for the Department of Defense. If the Administration plan is adopted, the following reductions would be made in projects intended by Congress to be financed by the Coastal Defense Augmentation account:

Cancel the procurement of 4 additional C-130 aircraft ($72 million);

Reduce funding for the Service Life Extension program for aging seagoing buoy tenders from $70 million to $14 million to reflect the purchase of long-lead time items only;

Cancel the purchase of a tenth 140 foot icebreaking tug ($20 million), to be based in the northeast;

Reduce the purchase of patrol boats to replace the Coast Guard's aging fleet of 95 foot patrol craft from 16 vessels ($112 million) to 7 ($56 million); and

Reduce the purchase of forward looking airborne radar from 27 sets ($60 million) to 24 sets ($44.5 million).

Adoption of the $300 million level form AC&I that is proposed in H.R. 4208 would permit full funding for the projects listed above.

The Committee notes that Coast Guard aircraft are not presently equipped with crash position indicators or flight data recorder systems. These devices serve the dual purpose of recording inflight data that is useful in analyzing aircraft accidents and of producing beacons that allow aircraft crash positions to be determined. The Committee encourages the Coast Guard to review the potential value of purchasing this equipment in the future for use on some or all Coast Guard aircraft.

Paragraph (3) authorizes $35 million for the Coast Guard's research, development, test, and evaluation program. This number is approximately $14 million above both the President's 1987 request and the 1986 level of appropriations. It is $3 million below the authorized level for 1986.

The Committee believes that the Coast Guard's tiny research program has provided substantial past benefits, but that greater value could be achieved by expanding the program. If appropriations should equal the authorized level, the Committee expects that

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increased attention could be devoted to the development of emergency lifesaving equipment on passenger ferries, the evaluation of the Global Positioning System for civil marine navigation, hazardous chemical pollution response, the study of electronic search and surveillance systems for use on long-range aircraft, and the evaluation of communications and data processing systems particularly suited to Coast Guard missions.

Paragraph (4) authorizes such sums as may be necessary to pay obligations to retired Coast Guard personnel. It is estimated that these obligations will equal $354 million in 1987.

No funds are authorized for the Truman-Hobbs bridge alteration program.

SECTION 3: MILITARY STRENGTH AND MILITARY TRAINING

This section authorizes an end of year strength for military personnel of 39,200, or 548 higher than the number of 38,652 proposed by the Administration. The difference reflects the assumption that Congress will continue a program, begun in 1986, whereby the Department pays for the placement of law enforcement boarding teams (TACLETS) on certain Navy vessels. The higher number would also allow for a possible increase in Coast Guard appropriations for anti-terrorism activities associated with its port security and port safety programs.

This section also authorizes the student-year levels for various categories of Coast Guard training for fiscal year 1987 as follows:

For recruit and special training: 3200 student years;

For flight training: 110 student years;

For professional training in military and civilian institutions: 441 student years;

For officer acquisition: 925 student years.

A student year is defined as the product of the number of students scheduled to attend each course in the category multiplied by the course lenght expressed in fractions of years (i.e. course lenght in weeks divided by 52 weeks). The proposed student training levels are equal to the Administration request.

SECTION 4: TRANSFER OF FUNDS

This section authorizes the Secretary of the department in which the Coast Guard is operating to transfer up to ten percent from either the operating expenses account or the acquisition, construction, and improvements (AC&I) account to another Coast Guard account following a determination that this would be in the national interest. The section also authorizes any other federal officer to whom sums are appropriated for the Coast Guard to transfer those funds to the Secretary of the department in which the Coast Guard is operating for use by the Coast Guard.

A transfer under this section may only occur fifteen days or more subsequent to a notification of the House Committee on Merchant Marine and Fisheries and the Senate Committee on Commerce, Science and Transportation. The notification must be in writing and shall state the reasons for the determination that a transfer is in the national interest, as well as a description of the purposes for which the funds to be transferred will be used.

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The authority provided by this section is similar, with two exceptions, to that provided in the Coast Guard Authorization Act of 1984 for fiscal years 1985 and 1986. The differences are that the amount subject to possible transfer has been increased from five to ten percent of an account and that authority to transfer funds to the Secretary of the department in which the Coast Guard is operating is granted to any other federal official to whom funds for the Coast Guard are appropriated. This latter change was prompted by the fact that funds have been appropriated to the Secretary of Defense for Coast Guard expenses in past years. This section would authorize the transfer of such funds to the Secretary of the department in which the Coast Guard is operating. Except in time of war or national emergency as directed by the President, the Coast Guard operates within the Department of Transportation.

SECTION 5' CONTRACTING

This section requires the Secretary of the department in which the Coast Guard is operating to identify those Coast Guard activities that are necessary to maintain a logistics capability sufficient to ensure the effective and timely performance of Coast Guard missions in behalf of the security, safety, and economic and environmental well-being of the United States. A list of the activities so identified must be submitted to the Committee on Merchant Marine and Fisheries of the House and to the Committee on Commerce, Science and Transportation of the Senate not later than January 31, 1987.

If the Secretary does not provide the list of essential activities on or before January 31, 1987, the Secretary will thenceforth be prohibited from contracting for any activities performed by Coast Guard personnel until the list is submitted. The purpose of this provision is not to hinder appropriate contracting activities by the Coast Guard, but instead to provide a strong administrative incentive for submitting the list required by this section in a timely fashion.

Once the list is submitted, this section prohibits the government from contracting for the performance of activities that are identified by this list as being essential to preserve the necessary logistics capability of the Coast Guard. The Secretary of the department in which the Coast Guard is operating may waive this prohibition if the Secretary determines that the performance of the activity by government personnel is no longer necessary to ensure the effective and timely performance of Coast Guard missions. Such a waiver may not take effect until a period of thirty days in which either the Senate or the House is in session has expired following a notification to the appropriate Congressional Committees.

The policy established by this section with respect to the contracting of logistics functions is similar to that applied under current law to the contracting of functions performed by personnel from the other armed services of the United States. It is not intended to discourage the contracting of routine functions, as provided under OMB Circular A-76. Its purpose, instead, is to lend greater coherence and predictability to Coast Guard contracting. The activities listed under this section will not—because of their

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particular and vital importance to the national interest—be considered for contracting, unless the Secretary specifically determines that an activity so listed need not be performed directly by government personnel. This section have the practical value of clarifying the potential universe of Coast Guard contracting initiatives in a manner that will be to both the private sector and government personnel.

The following is a partial list of activities that the Committee expects to be seriously considered for inclusion on the list of essential logistics activities of the Coast Guard:

Supervision of the operation of LORAN and OMEGA radio navigation systems;

placement and positioning of aids to navigation on critical waterways of the United States;

polar icebreaking operations;

search and rescue activities;

military readiness training;

drug law enforcement operations;

operation of the Coast Guard Academy;

maintenance of a recruiting program,

operation of a port safety and port security program;

operation of vessel traffic control systems;

operation of the Coast Guard Research and Development Center

training at: Governors' Island NY, (advanced training) Cape May, NJ, (recruit training), Petaluma, CA, (advanced training), Yorktown, VA, (reserve training, OCS school), Mobile, AL, (aviation training and maintenance);

Industrial activities: Elizabeth City, NC, (aviation repair and supply), Curtis Bay, MD, (vessel maintenance and overhaul).

Because of the unique importance of the industrial activities carried out at Curtis Bay and Elizabeth City, the Committee has included specific legislative language requiring that such activities be included on the list prepared by the Secretary pursuant to this section. The Committee also has special concern about the placement and positioning of aids to navigation on waterways of critical importance to the national security and economy of the United States. An example of such a waterway is the Cooper River, in South Carolina, including Charleston Harbor and its approaches.

The list submitted by the Secretary pursuant to this section shall not include any activity that is being performed by non-government personnel on the date of enactment of this Act, nor any activity for which Congress received, prior to April 1, 1986, a written notification pursuant to section 14(b)(2) of the Coast Guard Authorization Act of 1984, of intent to contract.

This section also continues a requirement, established in the Coast Guard Authorization Act of 1984, directing the Secretary to submit to Congress an annual list of activities planned for contracting pursuant to the procedures of OMB Circular A-76. The list is to be submitted prior to the start of the fiscal year in which the contracting is planned.

This section also requires the Coast Guard to hire qualified local workers, if available, when carrying out contracts in states where

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the unemployment rate exceeds the national average. The amendment permits the Secretary to grant an exemption to the requirement for either national security or for economic efficiency if hiring locally would increase the cost of the contract. The term "local resident" is purposefully broad and not restricted to a citizen of a particular state. Thus, an individual within daily commuting distance would be a local resident even if not a resident of the state of high unemployment.

SECTION 6: MARITIME DEFENSE ZONE

This section amends title 14 of the U.S. Code to include the performance of Maritime Defense Zone command responsibilities on the list of duties to be performed by the Coast Guard. This responsbility was assigned to the Coast Guard through a memorandum of understanding signed with the Navy in March, 1984. The fulfillment of this duty will be required as part of the Coast Guard's military readiness mission. Enactment of this section will not alter the Navy's responsibility for purchasing equipment to carry out Maritime Defense Zone functions.

SECTION 7: RESTRICTION ON CONSTRUCTION OF COAST GUARD VESSELS

This section amends title 14 of the U.S. Code to establish a new section 664 that would limit the authority given to the Secretary to procure new vessels for use in Coast Guard operations, under section 92 of title 14. This section would limit that authority by providing that no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard. This provision is modeled after section 7309 of title 10 of the U.S. Code, which places an identical restriction on the construction of vessels for the U.S. Navy.

The President is authorized to make an exception to this provision if he determines that it is in the national security interest of the United States to do so. The President must submit a notification to Congress of any such determination, and no contract may be made pursuant to this exception until the end of the 30 day period beginning with the receipt of that notification.

SECTION 8: PAYMENT OF INTEREST TO THE COAST GUARD AUXILIARY

This section would amend title 14 of the U.S. Code to authorize the payment of interest to a member of the Coast Guard Auxiliary whenever the payment of a valid claim for reimbursement is not made within sixty days.

Section 830 of title 14 sets out the circumstances under which members of the Coast Guard Auxiliary may be compensated for actions undertaken in support of Coast Guard operations. Payments are limited to necessary travel expenses and expenses required in the operation of a vessel, aircraft, or radio station when assigned to Coast Guard duty. This section authorizes the payment of interest on any valid claim for reimbursement that is submitted by a member of the Auxiliary if the Coast Guard has failed to pay the claim within sixty days. It is intended that the sixty day time limit

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begin to run only after the submission by the claimant of all of the information required by the Coast Guard to process a claim.

The rate of interest to be paid pursuant to this section shall be at a rate equal to that established under section 6621(b) of title 26, which governs the calculation of government interest obligations on income tax over-payments.

SECTION 9: NON-EMERGENCY ASSISTANCE

This section amends title 14 of the U.S. Code to create a new section governing the policy on use of the Coast Guard Auxiliary. Specifically, the section would require the Commandant to make full use of available and qualified members of the Auxiliary in rendering aid to distressed persons, vessels, and aircraft in accordance with the authority granted by Section 88 of title 14. Section 88 provides the Coast Guard with its basic authority to render assistance to mariners for the purpose of saving life and property.

The intent of this section is to exempt the Coast Guard Auxiliary from certain aspects of the Coast Guard's recently updated non-emergency assistance policy. On June 29, 1983, the Commandant established guidelines intended to avoid inappropriate competition between the Coast Guard and private towing and salvage operations. Under these guidelines, the Coast Guard refers calls for assistance in non-life threatening situations to qualified commercial towing operators whenever such operators are ready and willing to respond.

It remains the sense of Congress that the Coast Guard's non-emergency assistance policy is generally well conceived and that assistance operations by regular Coast Guard units should be conducted in a manner that minimizes inappropriate competition with private towing and salvage operations. Congress will support the vigorous and consistent enforcement of that policy as it pertains to regular Coast Guard units.

This section, however, is based on the premise that the voluntary nature of the Auxiliary grants that organization a status different from that of the regular Coast Guard. Actions taken by a voluntary group to assist mariners should not be deemed to constitute "inappropriate" interference with the private sector.

While it is true that Auxiliarists are eligible for reimbursement from the government for certain expenses, the annual cost of the Auxiliary is only about $6 million. This amount is derived not from general revenues, but instead from a portion of the $15 million that is allocated to the Coast Guard each year from the Boating Safety Account, which is derived in turn from the federal tax on motorboat fuel. By far the greatest portion of the cost of the Coast Guard Auxiliary is borne by Auxiliary members themselves who contribute dues, equipment, uniforms, and time.

Despite its effect on the non-emergency assistance policy, this section does not seek to require the Commandant or any other Coast Guard officer to make use of a unit of the Auxiliary against his or her own best judgment. Coast Guard officers are granted full discretion to determine when a member of the Coast Guard Auxiliary is "qualified" and "available" for service, and also to determine what constitutes "full use" of Auxiliary members. For this

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reason, the authority of the Commandant and other Coast Guard officers to carry out the responsibilities of the service in accordance with the law and their own best judgment should be neither eroded nor in any other way hampered by this section.

SECTION 10: TECHNICAL AMENDMENTS TO TITLES 14 AND 46

This section makes a series of technical and conforming amendments to the text of Titles 14 and 46 of the U.S. Code.

Among these changes is an amendment to section 91 of title 14 that removes an obsolete reference to the Panama Canal in the authority given to the Coast Guard to insure the safety of U.S. naval vessels. This, in fact, has been superseded by section 1801 of the Panama Canal Act of 1979 (Public Law 96–70). The balance of the authority regarding safety of naval vessels in section 91 has been specifically vested in the Secretary of the department in which the Coast Guard is operating. Further, certain provisions in title 14 dealing with the retirement for those who served formerly in the now defunct Life Saving Service, Lighthouse Service, Bureau of Marine Inspection and Navigation, and Bureau of Customs, have been repealed. However, the provision was not intended to affect any retirement rights that may have accrued to these personnel and, accordingly, a savings clause is included.

In addition, an amendment is made to the merchant seaman licensing and documentation laws in title 46, U.S. Code, known as "Part E—Merchant Seamen Licenses, Certificates, and Documents". This would permit an applicant to pay travel and subsistence expenses incurred by the Coast Guard in administering licensing and documentation requirements under Part E if performed away from Coast Guard offices at the request of an applicant or a representative of an applicant. Currently, the Coast Guard does not have statutory authority to accept such a payment. For example, if an educational institution offers a course of instruction to prepare for a licensing examination, that institution, on behalf of the class of students, could arrange for administration of the examination at the institution by paying travel and expenses of the Coast Guard personnel administering the examination. The time and place of the examination should be mutually acceptable to the applicants and the Coast Guard. No other fee is authorized or intended by this amendment. It is merely a provision to make it convenient for applicants to qualify for merchant marine licenses and documents when the budget of the Coast Guard does not provide for travel such as this. Thus, it will permit the Coast Guard to charge for the large travel expenses, but is not intended to cover minimal local expenses at or near central examination locations or expenses to administer licensing or documentation requirements incidental to other Coast Guard activities. As a discretionary provision, if the budget situation changes for the Coast Guard, reimbursement would not necessarily be required. Amount received would be directly returned to the operating expenses appropriation account of the Coast Guard. Finally, a series of amendments is made regarding oyster vessels. No clear legislative history exists as to why these vessels are treated differently in certain instances under the shipping laws in title 46, U.S. Code, than other fishing vessels.

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These changes eliminate those differences and place all fishing vessels on the same statutory basis.

SECTION 11: MANNING REQUIREMENTS OF MOBILE OFFSHORE DRILLING UNITS

This section requires the Secretary of Transportation, when determining the manning requirements of self-elevating Mobile Offshore Drilling Units (MODUs), to consider the specialized nature of these units. Specifically, the Secretary is required to recognize the ability of a MODU to function both as a mobile unit and as a drilling unit. When moving to or from a drill site, a MODU resembles a vessel and is required to have on board a complement of maritime personnel. When on location, however, its deck structure is positioned 50 feet or more above the water on legs resting on the floor. During these stationary periods, a MODU should not be required to maintain a full crew for maritime purposes.

This section also exempts industrial personnel on MODUs from the requirement that they carry merchant mariners' documents. The term "industrial personnel" has been defined by the Coast Guard in 46 C.F.R. 90.10-15. They are considered by the Committee to be those personnel not involved with the navigation of the MODU as a vessel.

SECTION 12: LICENSE FOR COMMERCIAL TOWING

This section would require that the operators of vessels of any length that tow disabled vessels for consideration be licensed by the Secretary of the department in which the Coast Guard is operating. Presently, operators of vessels 26 feet in length or longer engaged in towing are required to be licensed by the Secretary. This proposal would extend the licensing requirement to operators of commercial vessels less than 26 feet in length who tow disabled vessels. This requirement would become effective on January 1, 1988.

SECTION 13: ADMINISTRATIVE COSTS OF BOATING SAFETY PROGRAMS

This section amends title 46 of the U.S. Code to require the Secretary of the department in which the Coast Guard is operating to make use of certain amounts from the Boating Safety Account of the Aquatic Resources Trust Fund. These amounts—which are limited to not less than one percent nor more than two percent of the amount appropriated in any year—shall be available to pay the federal costs of administering the state recreational boating safety program.

Under current law, $30 million is authorized to be appropriated annually from the Boat Safety Account to pay for state boating safety programs. The money in the account is derived from that portion of the revenues obtained from the federal tax on gasoline that is attributable to the purchase of motorboat fuel. This section simply requires that a small percentage of these funds available to the Coast Guard to underwrite the costs to that agency of administering this program.

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SECTION 14: FORFEITED VESSELS

This section would authorize the transfer of vessels which have been forfeited to the federal government to qualified educational institutions for use in commercial vessel safety programs which have been approved by the Commandant of the Coast Guard. The transfers would occur without consideration, except for the costs of care and handling, and would be subject to terms and conditions considered appropriate by the federal officer making the transfer. These conditions shall include a requirement that the educational institution shall be responsible for maintaining the vessel, that the vessel shall be used only for instructing students in fishing vessel safety, and that the vessel may be transferred to a third party only with the prior approval of the Administrator of General Services.

This section also protects the United States from any liability incurred as a result of the operations of the vessel that has been transferred.

It is the intent of the Committee that under this section, the priority currently given to federal agencies in retaining forfeited vessels and dedicating them to official use will be maintained. In addition, this section is not intended to diminish the rights to forfeited vessels currently held by lien holders.

SECTION 15: LIMITATION ON TRAINING

This section would prohibit the Coast Guard from providing any training or courses of instruction to government employees or to members of the armed forces of South Africa during fiscal year 1987. The prohibition would include all training and instruction, whether or not provided on a reimbursible basis.

SECTION 16: POLAR ICEBREAKING

Section 7 of the Coast Guard Authorization Act of 1984 stated the sense of Congress that the United States has important security, economic, and environmental interests in developing and maintaining a fleet of icebreaking vessels capable of operating effectively and independently in the heavy ice regions of the Arctic and Antarctic. That section also required the Secretary of the department in which the Coast Guard is operating to prepare design and construction plans for the purchase of at least two new polar icebreaking vessels to be operational by the conclusion of fiscal year 1990, and to provide detailed reports to the Congress concerning the status of those plans in January 1985 and January 1986.

This section provides for the continuation of reports to Congress on the status of polar icebreaking vessel design and construction plans. Specifically, it requires that reports be submitted to the Congress as part of the Cutter plan required annually by section 663 of title 14 of the U.S. Code, every year until at least two new polar icebreaking vessels have been delivered to the Coast Guard.

COMPLIANCE WITH CLAUSE 7, RULE XIII

In accordance with paragraph (d) of this clause, the provisions of this clause do not apply where a cost estimate and comparison pre-

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pared by the Director of the Congressional Budget Office has been prepared and included in the report.

Inflationary Impact Statement

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee has assessed the potential for inflationary impact and has concluded that the inflationary impact, if any, is insignificant.

The bill is an authorization bill for the daily operation and maintenance of the Coast Guard; for the acquisition, construction, and improvement of vessels, aircraft, and facilities; and for research and development. Based upon the actual outlay distribution, the Committee finds no evidence of significant competitive pressure on manpower or materials that would have inflationary impact. Instead, the expenditures would affect those business segments which are now experiencing excess capacity, specifically the shipbuilding, aircraft manufacturing, and construction industries, which are underutilized.

The Committee also has found that the services provided by the Coast Guard return benefits to the public many times the cost to the Treasury. The amount of property loss prevented thorugh search and rescue operations, for example, is equal almost to the entire budget for operating expenses for the Coast Guard. The value of illegal drugs seized is greater than the total amount appropriated for operating expenses. Other Coast Guard services reduce losses of vessel cargo, facilitate interstate and international commerce, assist commercial fishing activities, prevent environmental damage, and save human lives. All of these activities prevent the misallocation of resources important to the country, thereby serving to retard inflationary pressures in many different sectors of the economy.

Compliance With Clause 2(l)(3) of Rule XI

With respect to the requirements of clause 2(l)(3) of rule XI of the Rules of the House of Representatives—

(A) In addition to hearings held on various legislative proposals, the Subcommittee on Coast Guard and Navigation held eight days of oversight hearings on various aspects of Coast Guard operations since the consideration of the last authorization legislation. A series of three hearings on the subject of Coast Guard management and resource needs resulted in a number of specific findings and recommendations that have been incorporated into H.R. 4208.

(B) The requirements of section 308(a) of the Congressional budget Act of 1974 are not applicable to this legislation.

(C) The Committee on Merchant Marine and Fisheries has recived no report from the Committee on Government Operations of oversight findings and recommendations arrived at pursuant to clause 2(B)(2) of rule X of the Rules of the House of Representatives.

(D) The director of the Congressional Budget Office has furnished the Committee with an estimate and comparison of cost for H.R. 4208 pursuant to section 403 of the Congressional Budget Act of 1984.

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The submission is as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, April 11, 1986.

Hon. WALTER B. JONES,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the attached cost estimate for H.R. 4208, the Coast Guard Authorization Act of 1986.

If you wish further details on this estimate, we will be pleased to provide them.

With best wishes,

Sincerely,

RUDOLPH G. PENNER, *Director.*

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: H.R. 4208.

2. Bill title: Coast Guard Authorization Act of 1986.

3. Bill status: As ordered reported by the House Committee on Merchant Marine and Fisheries, April 9, 1986.

4. Bill purpose: the bill authorizes the appropriation of $1,863 million for Coast Guard operating expenses for 1987, as well as necessary funds for increases in salaries and benefits. The bill also authorizes 1987 appropriations of $300 million for acquisition, construction, and improvement activities; $35 million for research, development, test and evaluation activities; and such sums as are necessary to provide for retired pay to eligible personnel.

H.R. 4208 authorizes 39,200 active duty personnel and 4,676 military training students for 1987. The bill also permits 10 percent of funds appropriated for Coast Guard operating expenses and acquisition, construction, and improvement activities to be transferred for other uses, if it is in the national interest.

The bill contains a number of other provisions, addressing items such as contracting practices, Maritime Defense Zone responsibilities, Coast Guard Auxiliary policy, and licensing of commercial towing ships.

5. Estimated cost to the Federal Government:

[By fiscal years, in millions of dollars]

	1987	1988	1989	1990	1991
Estimated authorization level:					
Specified (function 400)	2,198				
Estimated (function 920)	36				
Total	2,234				
Estimated outlays:					
Function 400	1,627	341	155	47	28
Function 920	34	2			
Total	1,661	343	155	47	28

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The estimated costs for Coast Guard retirement pay—$373 million—are not included in the above table, because such pay is an entitlement under current law.

The costs of this bill fall within budget functions 400 and 920.

Basis of estimate: This estimate assumes that the full amounts authorized for fiscal year 1987 will be appropriated prior to the beginning of the fiscal year. Most of the authorized levels are specified in the bill. The estimate of increases in salary and benefits—$36 million—reflects the personnel levels implicit in the 1987 authorization adjusted for CBO's baseline pay raise assumptions for 1987. Other provisions of the bill are not expected to result in significant costs to the federal government. In general, these provisions either put existing Coast Guard policy into statute, or make changes that have minimal costs. Estimated outlays for all of the programs are based on historical spending patterns.

6. Estimated cost to State and local governments: None.

7. Estimate comparison: None.

8. Previous CBO estimate: None.

9. Estimate prepared by: Keith M. Chase.

10. Estimate approved by: C. G. Nuckols, for James L. Blum, Assistant Director for Budget Analysis.

Departmental Reports

The views of the Department of Transportation were set forth in the following letter on H.R. 4208:

U.S. Department of Transportation,
Washington, DC, April 8, 1986.

Hon. Walter B. Jones,
Chairman, Committee on Merchant Marine and Fisheries, House of Representatives, Washington, DC.

Dear Mr. Chairman: This is in response to your request for the views of the Department of Transportation concerning H.R. 4208, as reported by the Subcommittee on Coast Guard and Navigation, a bill "To authorize appropriations for the Coast Guard for fiscal year 1987, and for other purposes."

This bill authorizes appropriations for all the major Coast Guard appropriations accounts, except for alteration of bridges, for fiscal year (FY) 1987. It also authorizes military training and the end-of-year strength for active duty military personnel for FY 1987. Finally, it directs the Coast Guard to act in certain specified ways, it restricts certain Coast Guard activities, and it authorizes new activities.

The Commandant expressed the Department's position on H.R. 4208 in his statement before the Subcommittee on Coast Guard and Navigation on Thursday, March 13, 1986. In that statement he recommended that the dollar amounts authorized for FY 1987 in section 2 be adjusted to the amounts requested by the President and that the FY 1988 amounts in that section be changed to "such sums as may be necessary". In addition, the Commandant expressed the Department's objection to section 5, which limits contracting out functions performed by Coast Guard to maintain a "core" logistics capability. Finally, his statement objected to section

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9, which sets out in statute a policy of full use of the Auxiliary for non-emergency search and rescue. The subcommittee deleted the section 2 authorizations for FY 1988. Otherwise the Commandant's recommendations were not incorporated in this reported bill.

These recommendations, as well as comments supporting and objecting to the remainder of H.R. 4208, are in an enclosure to this letter.

The Secretary recently transmitted to the Congress a legislative proposal entitled the Coast Guard Authorization Act of 1986. This proposal includes an authorization of all major Coast Guard appropriations accounts at the President's budget dollar level for FY 1987, such sums as necessary for FY 1988, and training and personnel levels for these fiscal years.

In addition, it changes the portion in the Boating Safety Account for Coast Guard operating expenses from one-third to two-thirds and for State recreational boating safety programs from two-thirds to one-third. Finally, the following provisions from vetoed H.R. 2466 are included in the Administration's bill: technical corrections to subtitle II of title 46, U.S. Code; regulatory authority for the Secretary for that subtitle; the authority for a long term lease and improvements to a State pier in New Bedford, Massachusetts; the contracting for electric power on St. Paul Island, Alaska; and authorizing a joint Federal and Capy May, New Jersey road repair arrangement.

We request that the Committee seriously consider this recently transmitted legislation as the Committee's bill instead of H.R. 4208.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the submission of this report for the consideration of the Committee on Merchant Marine and Fisheries.

Enclosure: Comments on H.R. 4208.

Sincerely,

JIM J. MARQUEZ,
General Counsel.

ENCLOSURE—COMMENTS ON H.R. 4208

SECTION 2

This section authorizes amounts to be appropriated for fiscal year (FY) 1987. The amounts authorized are higher than the Administration's request. We recommend that these accoutns be reduced to the Administration's requested levels. In addition, we recommend "those sums as may be necessary" be authorized for FY 1988. We note that there is no authorization for bridge alterations for FY 1987 in this section. We also are requesting no funds for this account for FY 1987, but we anticipate expenses for the program in FY 1988 and accordingly recommend that the bridge alterations account be authorized for 1988.

SECTION 3

The military training levels authorized in this section are consistent with the Administration's request. The 39,200 end-of-year strength for active duty military personnel in this section is 548

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higher than the Administration's request. The Administration's request reflects current Coast Guard duties, including the continuation of the Department of Defense funded program for the placement of Coast Guard law enforcement boarding teams on certain Navy vessels. The Administration's request does not provide for additional staffing which might be required if Congress were to assign additional duties during the year, such as anti-terrorism activites.

SECTION 4

This section continues the authority to transfer funds between appropriations accounts that was established in section 5 of the Coast Guard Authorization Act of 1984. It increases the amount that may be transferred from an account from 5 percent to 10 percent of that account. In addition, it removes the restriction that the account receiving the funds not be increased by more than 10 percent. Finally, it provides that another Federal officer may transfer amounts appropriated to that officer for the purposes of section 2 of this bill. We support this continued and expanded transfer authority.

SECTION 5

This section states the sense of Congress that the Coast Guard maintain its logistics capability to perform its missions vital to the security, safety, and economic and environmental well being of the nation. To accomplish this, it requires the Secretary to identify Coast Guard activities that are necessary to be continued by Coast Guard personnel to maintain its logistics capability and submit a list of these activities to the Coast Guard oversight committees. The section provides further that, if the list is not provided by January 31, 1987, no activity performed by Coast Guard personnel could be contracted out. In addition, the section requires the Secretary to submit to the Coast Guard oversight committees a list of activities intended to be contracted for the next fiscal year. Finally, subsection (d) of this section requires that contracts awarded by the Coast Guard for construction or services to be performed in a State with higher than average unemployment include a provision requiring the contractor to employ local residents.

We do not support subsections (a)-(c) of this section. They are unnecessary. They would limit Coast Guard's flexibility to continue to be productive in a cost effective way through the A-76 contracting out program. Under this program the Coast Guard is performing its many key functions while reducing costs in specific areas by using private contractors. The Coast Guard does not contract out a function unless it meets all of the following criteria: not inherently govermental in nature; does not jeopardize Coast Guard operational capabilities; does not impact adversely on readiness requirements; can be done more cost effectively by the private sector. The Coast Guard will always maintain the management function associated with logistics. The A-76 process provides a mechanism to determine the most cost-effective way to get the work done.

In addition, we do not support subsection (d). That subsection's requirement of local hiring will create potential enforcement prob-

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lems and thus increase work for Coast Guard's contracting staffs. Such questions as who qualifies as a local resident and how would you determine if a person could acquire promptly necessary skills could cause problems both for the Coast Guard and the contractors. A greater problem with this section is that it will stifle competition particularly in construction contracts and others where a company's out of State work crews would be moved to this contract site. Those crews could not be moved under this provision and the company would probably not bid on the contract because of this provision. There is a similar provision in the 1986 DOD appropriations act; however, it applies only to Hawaii and Alaska.

SECTION 6

This section amends section 2 of title 14 U.S. Code, which sets out Coast Guard's primary duties, by adding the fulfillment of Maritime Defense Zone (MDZ) command responsibilities to that section. Presently, the Coast Guard performs its MDZ responsibilities under the terms of an MOU with the Navy, which we would prefer to continue, at least until forther experience is gained with the MDZ command.

We do not support this section, Although we assume that making Coast Guard's MDZ functions statutory would not change them substantively, this is a complex issue that should be coordinated with the Navy before making such a change.

SECTION 7

This section requires that no Coast Guard vessel and no major component of the hull or superstructure of such a vessel be constructed in a foreign shipyard. We have no objection to this restriction. We support the U.S. shipbuilding industry. None of the Coast Guard's current construction or modernization contracts are in violation of the requirements of this section and would not be affected by it.

SECTION 8

This section would authorize the Secretary to say interest on a claim to an Auxiliarist who has not received payment within 60 days of submitting the claim. We oppose this section. Payment of claims to Auxiliarists is an internal Coast Guard matter (in fact it is Coast Guard's position that there is no right to judicial appeal by an Auxiliarist who is dissatisfied with a claim settlement). Few claims take longer than 60 days to process. Claims for damage to an Auxiliarist's property, with the requisite appraisals and documentation of the value of the property, are the only claims likely to take longer. We are reviewing ways of streamlining this property damage claim procedure.

SECTION 9

This section mandates the Commandant to make full use of Auxiliarists in providing assistance to vessels. We oppose this section. It is not necessary. The Coast Guard already makes full use of the Auxiliary in rendering aid. This mandate would appear to exempt

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the Auxiliary from the Coast Guard's Non-Emergency Assistance Policy. This policy very carefully considers the need of the Coast Guard, its Auxiliary, volunteers, commercial towers, and the citizen boater. This section by favoring only one of these entities could limit the discretion of the local operational commanders to make search and rescue assistance decisions.

SECTION 10

This section makes several technical changes to titles 14 and 46 of the U.S. Code. None of these changes is substantive, and we do not oppose them. We note that subsection (a)(4) amends 14 U.S.C. 91, relating to measures the Coast Guard can take to insure the safety of naval vessels, by deleting Coast Guard officers and substituting the "Secretary". This change merely updates this section to provide for delegations of authority. To further modernize this section we recommend that territorial waters of the United States be changed to navigable waters of the United States. "Territorial waters" is rarely used and is unclear, while "navigable waters" removes any ambiguity concerning the area of Coast Guard authority.

SECTION 11

This section amends the manning requirements for Mobile Offshore Drilling Units (MODU) under subtitle II of title 46 U.S. Code. It adds a requirement that when setting the manning requirements for self-elevating MODU engaged in drilling operations, the Secretary must consider the specialized nature and economics of the MODU. It also exempts individuals on MODU's from holding merchant mariners' documents if the individuals are on board solely for the industrial or business functions of the vessels.

We recommend that subsection (b), which amends section 8101(a) to require consideration of the specialized nature and economics in the manning of a MODU, be deleted. The specialized nature of any vessel is considered in determining manning requirements. The complement derived is the minimum considered necessary for the vessel's safe operation without regard to the economics of the vessel. By including (a)(2), it appears that the specialized nature of all other vessels is not considered when setting manning requirements and it appears that the manning complement on these particular MODUs might be compromised by the economics of the unit. To mention "economics" as a manning consideration does not seem prudent, particularly if such consideration is perceived as being given to one special class of vessels only. If the Committee is unable to accept the above recommended changes, as an alternative delete the words "and economics" from proposed section 8101(a)(2).

The definition of MODU does not need the exception for a "public vessel of the United States" since section 2109 provides for this exception for the entire subtitle II of title 46. This definition should not be given a new number with the resulting number changes for the remaining definitions in section 2101 because all references to those definitions would also have to be amended to

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reflect this change. Instead we recommend numbering the MODU definition as "(15a)".

With respect to subsection (c), which would be changed to (b), delete "passengers or", since passengers do not need merchant mariners' documents and accordingly should not be included in this provision.

SECTION 12

This section requires towing vessels that tow disabled vessels to be operated by an individual licensed by the Coast Guard. This changes the existing requirement which applies only to towing vessels at least 26 feet long.

We support the intent of this section but we do not support it as drafted. It does not permit the Coast Guard to charge fees for licensing towing vessel operators. To remedy this, we recommend that 46 U.S.C. 7114 be amended to read as follows:

"The Secretary may prescribe by regulation reasonable fees for the issuance of a certificate, license, or permit related to small passenger vessels, sailing school vessels, and towing vessels."

In addition, we recommend that line 11 on page 10 be deleted and the following be substituted: "(b) A vessel that tows a disabled vessel for consideration shall be". This change would make it clear that the person in charge of a vessel not generally considered to be a commercial vessel would need a license under this section if that person intended to tow disabled vessels for consideration.

SECTION 13

This section requires the Secretary to retain from one to two percent of the amount to be allocated for State recreational boating safety programs for costs of administering recreational boating safety. We object to this section. It is contrary to the way the Coast Guard funds personnel who administer other, similar appropriations. In addition, it reduces personnel assignment flexibility, particularly if there were to be a drastic reduction in the State recreational boating safety program as funded by the Boating Safety Account. If the Committee is unable to accept deletion of this section, we recommend that the word "requires" be replaced with "authorizes".

SECTION 15

This section authorizes the Federal government to donate, under the procedures of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), a vessel forfeited to the United States to an educational institution with a commercial fishing program that includes vessels safety and seamanship courses approved by the Coast Guard. It affects the Coast Guard in two ways. First it requires the Coast Guard to approve fishing vessel safety courses. Second, it removes the potential proceeds of the sales of the vessels that are donated under this section from being paid into the forfeiture funds from which the Coast Guard requests reimbursements for its costs in seizing vessels that later become forfeited vessels.

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We object to the Coast Guard being required to approve courses in the proposed fishing vessels safety programs. A Coast Guard approved course has a very specific meaning and is only used when the course involved is either required by law by an applicant for a license or when the course may be substituted for the sea service experience required of a license applicant. To require the Coast Guard to approve fishing vessel safety courses, attendance at which is neither mandated by law nor of use to license applicants as a substitute for sea service, would degrade the meaning of "approved" which has until now been carefully preserved by the Coast Guard. We also object to the substantial burden on current resources such approval would cause.

As an alternative, we recommend that the section be amended so that the educational institutions wishing to receive a forfeited vessel need only certify that they have established a fishing vessel training problem. This program should include as a minimum the major areas covered in the Coast Guard voluntary standards and training programs for fishing vessels. This certification would be submitted to the Government agency responsible for distributing the forfeited vessels, rather than placing the burden of determining who is eligible for forfeited vessels on the Coast Guard.

To accomplish this, delete all of lines 6, 7 and 8 on the first page of amendment 4 and substitute the following: "program certified by the institution to the Federal officer referred to in subsection (c) of this section that the program includes at a minimum the following courses in fishing vessels safety:" Delete subsection (b).

We feel that the donated vessels, for purposes of the inspection laws in subtitle II of title 46, should be considered to be nautical school vessels. To do this, add a new subsection (e) to this section to amend 46 U.S.C. 2101(17) by adding at the end before the period "or an educational institution under section 15 of Public Law———" and to amend 46 U.S.C. 3305(c) by inserting after the words "civilian nautical school" the words "or educational institution under section 15 of Public Law———".

Subsection (c)(4) provides that the requirements of all of subsection (c) be stated on the donated vessel's certificate of documentation. This is inappropriate as these items do not belong on a vessel's document. Accordingly put a period at the end of line 16 on page 2 of amendment 4, delete lines 17 and 18, and substitute the following: "If the vessel is documented, an entry shall be made on the permanent record of the vessel to refer to the paragraph (5) restriction."

The Coast Guard incurs costs when vessels are seized for forfeiture for the handling and storage of the vessel. The Coast Guard then requests reimbursement from the U.S. Customs Service to whom the Coast Guard generally delivers these seized vessels for these administrative costs. These costs plus the amounts necessary to satisfy outstanding liens are generally recouped by proceeds from the sale of forfeited vessels. Therefore, this provision, by removing the donated vessel from this source of revenue might reduce the ability of the forfeiture funds to pay these costs.

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SECTION 16

This section prohibits the Coast Guard from providing any training to South African military or government employees during FY's 1987 and 1988.

Although we sympathize with this provision, we consider it unnecessary because of the United Nations prohibition against military or economic aid to South Africa. If legislation is considered necessary it should be under foreign aid legislation rather than done piecemeal in separate agency authorizations. Any training provided is pre-cleared by the State Department and thus far the only training provided has been attendance at Coast Guard's Search and Rescue School. All those navigating in the vicinity of South Africa regardless of nationality or race are benefited by well-training South African search and rescue personnel.

SECTION 17

This section requires the Secretary to provide detailed status reports to Congress on the planned polar icebreaking vessels. This is a continuation of the requirement in section 6(b) of the Coast Guard Authorization Act of 1984, which required status reports for the two polar icebreakers that were to be built and operational by the end of FY 1990. However, while the Department does not object to the intent of this section, to emphasize the importance of these two new polar icebreaking vessels to the nation, we would prefer that the reports be submitted separately from the 14 U.S.C. 663 Cutter Requirements, formerly Cutter Plan, as provided in this section.

CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, as amended, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

TITLE 14—COAST GUARD

Part		Sec.
I.	Regular Coast Guard	1
[II.	Coast Guard Reserve and Auxiliary	751]
II.	*Coast Guard Reserve and Auxiliary*	*701*

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PART II—COAST GUARD RESERVE AND AUXILIARY

Part		Sec.
[21.	Coast Guard Reserve	751]
21.	*Coast Guard Reserve*	*701*

* * * * * * *

§ 2. Primary duties

The Coast Guard shall enforce or assist in the enforcement of all applicable Federal laws on and under the high seas and waters

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subject to the jurisdiction of the United States; shall administer laws and promulgate and enforce regulations for the promotion of safety of life and property on and under the high seas and waters subject to the jurisdiction of the United States covering all matters not specifically delegated by law to some other executive department; shall develop, establish, maintain, and operate, with due regard to the requirements of national defense, aids to maritime navigation, ice-breaking facilities, and rescue facilities for the promotion of safety on, under, and over the high seas and waters subject to the jurisdiction of the United States; shall, pursuant to international agreements, develop, establish, maintain, and operate ice-breaking facilities on, under, and over waters other than the high seas and waters subject to the jurisdiction of the United States; shall engage in oceanographic research of the high seas and in waters subject to the jurisdiction of the United States; and shall maintain a state of readiness to function as a specialized service in the Navy in time of war[.], *including the fulfillment of Maritime Defense Zone command responsibilities.*

* * * * * * *

§ 82. Cooperation with Administration of the Federal Aviation Administration

The Coast Guard, in establishing, maintaining, or operating any aids to air navigation herein provided, shall solicit, the cooperation of the Administrator of the Federal Aviation Administration to the end that the personnel and facilities of the Federal Aviation Administration will be utilized to the fullest possible advantage. Before locating and operating any such aid on military or naval bases or regions, the consent of the Secretary of the Army, the Secretary of the Navy, or the Secretary of the Air Force, as the case may be, shall first be obtained. No such aid shall be located within the territorial jurisdiction of any foreign country without the consent of the government thereof. Nothing in this title shall be deemed to limit the authority granted by the [Federal Aviation Act of 1958, as amended (49 U.S.C. 1301 et seq.]], or by the provisions of chapter 167 of title 10. *Federal Aviation Act of 1958 (49 App. 1301 et seq.)*

* * * * * * *

§ 91. Safety of naval vessels

[The captain of the port, Coast Guard district commander, or other officer of the Coast Guard designated by the Commandant thereof, or the Governor of the Panama Canal in the case of the territory and waters of the Canal Zone, shall so control the anchorage and movement of any vessel, foreign or domestic, in the territorial waters of the United States, as to insure the safety or security of such United States naval vessels as may be present in his jurisdiction.] *The Secretary shall control the anchorage and movement of any vessel in the territorial waters of the United States to insure the safety or security of any United States naval vessel in those waters.* In territorial waters of the United States where immediate action is required, or where representatives of the Coast Guard are

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not present, or not present in sufficient force to exercise effective control of shipping as provided herein, the senior naval officer present in command of any naval force may control the anchorage or movement of any vessel, foreign or domestic, to the extent deemed necessary to insure the safety and security of his command.

* * * * * * *

§ 146. United States Postal Service

Coast Guard facilities and personnel may be utilized for the transportation and delivery of mail matter during emergency conditions or at isolated locations under such arrangements as may be satisfactory to the Secretary and the [Postmaster General] *United States Postal Service.*

* * * * * * *

CHAPTER 11—PERSONNEL

Sec.

* * * * * * *

[431. Personnel of former Life Saving Service.]
[432. Personnel of former Lighthouse Service.]
[433. Personnel of former Bureau of Marine Inspection and Navigation and Bureau of Customs.]
[434. Personnel appointed as constructors.]
[435 to 437. Repealed.]
[438. Laws not applicable to warrant officers of former Life Saving Service, Lighthouse Service, Bureau of Marine Inspection and Navigation, and Bureau of Customs.]
[439, 440. Repealed.]

* * * * * * *

[§ 431. Personnel of former Life Saving Service

[(a) If any keeper or member of a crew of a Coast Guard station shall be so disabled by reason of any wound or injury received or disease contracted in the Coast Guard in the line of duty as to unfit him for the performance of duty, such disability to be determined in such manner as shall be prescribed in the regulations of the Coast Guard, he shall be continued upon the rolls of the Coast Guard and entitled to receive his full pay during the continuance of such disability, not to exceed the period of one year, unless the Commandant shall recommend, upon a statement of facts, the extension of the period through a portion or the whole of another year, and said recommendation receive the approval of the Secretary of the Treasury as just and reasonable; but in no case shall said disabled keeper or member of a crew be continued upon the rolls or receive pay for a longer period than two years.

[(b) Any individual who served in the former Life Saving Service of the United States as a keeper or surfman, and who on account of being so disabled by reason of a wound or injury received or disease or loss of sight contracted in such service in line of duty as to unfit him for the performance of duty was continued upon the rolls of the service for an aggregate period of one year or more under the provisions of subsection (a) of this section, and who ceased to be a member of such service on account of such disability, which disabil-

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ity has been continuous up to and including April 14, 1930, shall, upon making due proof of such facts in accordance with such rules and regulations as the Secretary of the Treasury may prescribe, be awarded compensation for such injury at the rate of 100 per centum of the pay he was receiving at the time of his separation from such service, such compensation to commence from April 14, 1930, and continue during his natural life. No such individual shall receive a pension, pay, or other allowance under any other law of the United States for the same period for which he receives retired pay under the provisions of this section.

[(c) No agent, attorney, or other person engaged in preparing, presenting, or prosecuting any claim under the provisions of subsection (b) of this section shall, directly or indirectly, contract for, demand, receive, or retain for such services in preparing, presenting, or prosecuting such claim a sum greater than $10, which sum shall be payable only on the order of the Secretary of the Treasury; and any person who shall violate any of the provisions of this subsection, or shall wrongfully withhold from the claimant the whole or any part of retired pay allowed or due such claimant under said subsection, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every offense, be find not exceeding $500 or be imprisoned not exceeding one year, or both, in the discretion of the court.]

§ 432. Personnel of former Lighthouse Service

* * * * * * *

(g) *(1)* The head of the department in which the Coast Guard is operating under regulations prescribed by him, may regulate the hours of duty and the pay of civilian keepers of lighthouses and civilians employed on lightships and other vessels of the Coast Guard, but such personnel may be called upon for duty in emergency circumstances or otherwise at any time or all times. The existing system governing the pay of such employees may be continued or changed except that overtime compensation, night differential, and extra pay for duty on holidays shall not be paid to such employees. In lieu thereof additional annual compensation may be authorized, which may be prescribed either as a fixed differential or as a percentage of the basic compensation otherwise applicable to such employees. In no case shall basic compensation exceed $15,000 per annum, except that nothing contained in this subsection shall operate to decrease the basic compensation of any person employed by the Coast Guard on the date of enactment of this subsection, and in no case shall additions thereto exceed 25 percent of such basic compensation. Provision may be made for compensatory absence from duty when conditions of employment result in confinement because of isolation or in long periods of continuous duty; and provisions may likewise be made for extra allowance for service outside of the continental limits of the United States.

[The additional compensation authorized herein shall be included in any computation of compensation for purposes of the Lighthouse Service Retirement Act.]

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(2) The additional compensation authorized by this subsection shall be included in any computation of compensation under section 6 of the Act of June 20, 1918 (33 U.S.C. 763).

[§ 433. Personnel of former Bureau of Marine Inspection and Navigation and Bureau of Customs

[(a) Included in the total number of commissioned officers authorized by section 42 of this title shall be four hundred and fifty-three extra numbers to which the President is authorized to appoint only the personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs who on March 1, 1942, held the civil service rating of CAF-9 or P-3, or above. In the event that any person from among the personnel eligible to fill such extra numbers does not qualify, or who, being qualified does not accept a commission, the extra numbers not so filled shall be reserved pending the separation of such persons from the Coast Guard by retirement, transfer, resignation, death, or other cause. Upon such separation, each vacancy so reserved, and each vacancy created by the unavailability for appointment of such personnel, or by the retirement, resignation, death, or other separation from the active military service of the Coast Guard of such personnel, shall increase by one the authorized number of line officers, and decrease by one the authcrized number of extra numbers.

[(b) Any person commissioned from the personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs who on March 1, 1942 held civil service rating of CAF-9 or P-3, or above, shall be an extra number in any rank to which he may be promoted. He shall be eligible for promotion, if otherwise qualified, at such time as the regular line officer who is his running mate becomes eligible for promotion, and shall be examined only with respect to those qualifications which pertain to his specialty.

[(c) No personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs who were transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan Numbered 3, effective July 16, 1946, shall be required to undergo further professional, physical, or mental examinations as a prerequisite to original commissioning, appointment, or enlistment, and the physical standards for such personnel while serving in the Regular Coast Guard shall not be greater than those applicable generally to civilian employees under civil-service laws and regulations.

[(d) Any personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan Numbered 3, effective July 16, 1946, who enlist in the Coast Guard shall be subject to the provisions of subsection (c), and (e)-(h) of this section.

[(e) Accured military leave of any personnel of the former Bureau of Marine Inspection and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan Numbered 3, effective July 16, 1946, who are members of the Coast Guard Reserve or the Naval Reserve on active duty, and who are commissioned, appointed, or enlisted,

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shall be credited to them upon such commissioning, appointment, or enlistment.

[(f) In computing length of service for purposes of retirement of personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan Numbered 3, effective July 16, 1946, who are commissoned, appointed, or enlisted, there shall be included, in addition to all service now or hereafter creditible by law, all service as a civilian employee of the United States within the purview of subsection III of chapter 83 of title 5; and for all purposes of pay, so much of the service as was rendered as a civilian employee in the former Bureau of Marine Inspection and Navigation (including its predecessors, the Bureau of Navigation and the Steamboat Inspection Service), in the Bureau of Customs and in the Coast Guard. Such service of both retirement and pay purposes shall be classified as commissioned, warrant, or enlisted depending upon which status the person assumes upon this entry into the Regular Coast Guard. Service covering the same period shall not be counted more than once.

[(g) Any such person shall not be entitled to any retirement benefits under any laws relating to the retirement of civilian personnel of the Federal Government, but shall be entitled upon claim therefor to a return of the total contributions made by him to the retirement fund with interest thereon and, in addition, to eligibility for retirement benefits provided by law for members of the Regular Coast Guard, he shall, if his total service in the Federal Government, civil plus military, is fifteen years or over, be entitled, upon reaching the statutory retirement age for military personnel of the Regular Coast Guard, to retirement pay amounting to 75 percent of his active-duty pay at the time of such retirement; and, in the administration of applicable laws for physical disability retirement, a disability shall be deemed to have been incurred incident to Coast Guard service if the cause of such disability is not due to vicious habits, intemperance or misconduct.

[(h) No personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those bureaus to the Coast Guard by Executive Order 9083 and by Reorganiation Plan Numbered 3, effective July 16, 1946, who are commissioned, appointed, or enlisted in the Coast Guard shall suffer any reduction in annual compensation, including allowances, below the compensation applicable to his permanent civil-service position at the time of such commissioning, appointment, or enlistment, exclusive of overtime compensation, and the civil-service status, tenure, seniority, and compensation of any such person who for any reason is not commissioned, appointed, or enlisted under the provisions of said sections shall not be impaired by reason of said sections.

[(i) No personnel of the former Bureau of Marine Inspection and Navigation and Bureau of Customs transferred from those Bureaus to the Coast Guard by Executive Order 9083 and by Reorganization Plan Numbered 3, effective July 16, 1946, who are serving as commissioned officers in the Coast Guard, shall be required to retire from active service under the provisions of section 288 of this title prior to completion of thirty years of active commissioned service,

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including service creditable for retirement purposes under this section, nor shall any such officers be subject to the provisions of section 289 of this title.

[§ 434. Personnel appointed as constructors

[In computing length of service of a person commissioned under the provisions of section 8 of the Act entitled "An Act to readjust the commissioned personnel of the Coast Guard, and for other purposes", approved July 3, 1926 (44 Stat. 817), there shall be included, in addition to all service now or hereafter creditable by law, for all purposes of retirement, all services as a civilian employee of the United States within the purview of subchapter III of chapter 83 of title 5; and for all purposes of pay, so much of such service as was rendered as a civilian employee in the Coast Guard. Service covering the same period shall not be counted more than once.]

* * * * * * *

[§ 438. Laws not applicable to warrant officers of former Life Saving Service, Lighthouse Service, Bureau of Marine Inspection and Navigation, and Bureau of Customs

[Section 101, 515, 555–557, 559–565, 597–599, 745, 1164–1166. 1263, 1293, 1371, and 1401 of title 10, do not affect any right, privilege, or benefit provided for warrant officers by section 431, 432, or 433 of this title.]

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CHAPTER 17—ADMINISTRATION

Sec.
631. Delegation of powers by the Secretary.

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663. Submission of plans to Congress.

§ 664. Restriction on construction of vessels in foreign shipyards.

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§ 663. Submission of plans to Congress.

The President shall submit to Congress with each budget request for the Coast Guard the current copy of the Coast Guard's Capital Investment Plan, Cutter Plan, Aviation Plan, and Shore Facilities Plan.

§ 664. Restriction on construction of vessels in foreign shipyards

(a) Except as provided in subsection (b), no Coast Guard vessel, and no major component of the hull or superstructure of a Coast Guard vessel, may be constructed in a foreign shipyard.

(b) The President may authorize exceptions to the prohibition in subsection (a) when the President determines that it is in the national security interest of the United States to do so. The President shall transmit notice to Congress of any such determination, and no contract may be made pursuant to the exception authorized

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until the end of the 30-day period beginning on the date the notice of such determination is received by Congress.

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CHAPTER 23—COAST GUARD AUXILIARY

Sec.
821. Administration.
822. Purpose.
823. Eligibility, enrollments.
824. Disenrollment.
825. Membership in other organizations.
826. Use of member's facilities.
827. Vessel deemed public vessel.
828. Aircraft deemed public aircraft.
829. Radio station deemed government station.
830. Availability of appropriations.
831. Assignment and performance of duties.
832. Injury or death in line of duty.
833. Policy on use of Auxiliary.

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§ 829. Radio station deemed government station

Any radio station, while assigned to authorized Coast Guard duty shall be deemed to be a radio station of the Coast Guard and a "government station" within the meaning of [Section] *section* 305 of the Communications Act of 1934 (47 U.S.C. 305).

§ 830. Availability of appropriations

(a) Appropriations of the Coast Guard shall be available for the payment of actual necessary traveling expense and subsistence, or commutation of ration allowance in lieu of subsistence, of members of the Auxiliary assigned to authorized specific duties and for actual necessary expenses of operation of any motorboat, yacht, aircraft, or radio station when asigned to Coast Guard duty, but shall not be available for the payment of compensation for personal services, incident to such operation, other than to personnel of the Coast Guard or the Reserve. The term "actual necessary expenses of operation," as used in this section, shall include payment for fuel, oil, power, water, supplies, provisions, replacement or repair of equipment, repair of any damaged motorboat, yacht, aircraft, or radio station and for the constructive or actual loss of any motorboat, yacht, aircraft, or radio station where it is determined, under applicable regulations, that responsibility for the loss or damage necessitating such replacement or repair of equipment, or for the damage or loss, constructive or actual, of such motorboat, yacht, aircraft, or radio station rests with the Coast Guard.

(b) The Secretary may pay interest on a claim under this section in any case in which a payment authorized under this section is not made within 60 days after the submission of the claim in a manner prescribed by the Secretary. The rate of interest for purposes of this section shall be the annual rate established under section 6621 of the Internal Revenue Code of 1954.

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§ 833. Policy on use of Auxiliary

The Commandant shall make full use of available and qualified members of the Auxiliary in rendering aid to distressed persons, vessels, and aircraft in accordance with section 88 of this title.

Public Law 88-45 (77 Stat. 68), Sec. 1

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, [That after fiscal year 1964, funds may not be appropriated to or for the use of the Coast Guard for the construction of shore or offshore establishments, or for the procurement of vessels or aircraft, unless the appropriation of such funds has been authorized by legislation enacted after December 31, 1963.]

Title 46—Shipping

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§ 2101. General definitions.

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(11b) "fish processing vessel" means a vessel that commercially prepares fish or fish products other than by gutting, decapitating, gilling, skinning, shucking, icing, *freezing,* or brine chilling.

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(15a) "mobile offshore drilling unit" means a vessel, other than a public vessel of the United States capable of engaging in drilling operations for the exploration or exploitation of subsea resources.

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CHAPTER 75—GENERAL PROCEDURES FOR LICENSING, CERTIFICATION, AND DOCUMENTATION

Sec.
7501. Duplicates.
7502. Records.
7503. Dangerous drugs as grounds for denial.
7504. Travel and expense reimbursement.

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§ 7504. Travel and expense reimbursement

"When a requirement to qualify for the issuance of, or endorsement on, a certificate, license, or document under this part is administered at a place at the request of an applicant or an applicant's representative, the applicant or representative may reimburse the Secretary for the travel and subsistence expenses incurred by the personnel assigned to perform the administration of the requirement. Amounts received as reimbursement under this section shall be credited to the appropriation for operating expenses of the Coast Guard.

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§ 8101. Complement of inspected vessels

[(a) The certificate of inspection issued to a vessel under part B of this subtitle shall state the complement of licensed individuals and crew (including lifeboatmen) considered by the Secretary to be necessary for safe operation. A manning requirement imposed on a sailing school vessel shall consider the participation of sailing school instructors and sailing school students in the operation of that vessel.]

(a) The certificate of inspection issued to a vessel under part B of this subtitle shall state the complement of licensed individuals and crew (including lifeboatmen) considered by the Secretary to be necessary for safe operation. A manning requirement imposed on—

(1) a sailing school vessel shall consider the participation of sailing school instructors and sailing school students in the operation of that vessel; and

(2) a self-elevating mobile offshore drilling unit when engaged in drilling operations shall consider the specialized nature and economics of the unit.

* * * * * * *

§ 8701. Merchant mariners' documents required

(a) This section applies to a merchant vessel of at least 100 gross tons except—

(1) a vessel operating only on rivers and lakes (except the Great Lakes);

(2) a barge (except a seagoing barge or a barge to which chapter 37 of this title applies);

(3) a fishing, fish tender, or whaling vessel or a yacht;

(4) a sailing school vessel with respect to sailing school instructors and sailing school students;

(5) an oceanographic research vessel with respect to scientific personnel;

(6) a fish processing vessel entered into service before January 1, 1988, and not more than 1,600 gross tons or entered into service after December 31, 1987, and having not more than 16 individuals on board primarily employed in the preparation of fish or fish products; [and]

(7) a fish processing vessel (except a vessel to which clause (6) of this subsection applies) with respect to individuals on board primarily employed in the preparation of fish or fish products or in a support position not related to navigation[.]*; and*

(8) a mobile offshore drilling unit with respect to individuals, other than passengers or crewmembers required by the certificate of inspection, carried on board the unit for the sole purpose of carrying out the industrial business or function of the unit.

* * * * * * *

§ 8904. Towing vessels

(a) A towing vessel that is at least 26 feet in length measured from end to end over the deck (excluding sheer), shall be operated

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by an individual licensed by the Secretary to operate that type of vessel in the particular geographic area, under prescribed regulations.

(b) A towing vessel that tows a disabled vessel shall be operated by an individual licensed by the Secretary to operate that type of vessel in the particular geographic area under prescribed regulations.

* * * * * * *

§ 10101. Definitions

In this part—

(1) "master" means the individual having command of a vessel [owned by a citizen of the United States].

(2) "owner" means the person to whom the vessel belongs.

(3) "seaman" means an individual (except scientific personnel, a sailing school instructor, or a sailing school student) engaged or employed in any capacity on board a vessel [owned by a citizen of the United States].

(4) "fishing vessel" includes—

(A) a fish tender vessel; or

(B) a fish processing vessel entered into service before January 1, 1988, and not more than 1,600 gross tons or entered into service after December 31, 1987, and having not more than 16 individuals on board primarily employed in the preparation of fish or fish products.

* * * * * * *

§ 10313. Wages

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(e) After the beginning of the voyage, a seaman is entitled to receive from the master, on demand, one-half of the balance of wages earned and unpaid at each port at which the vessel loads or delivers cargo during the voyage. A demand may not be made before the expiration of 5 days from the beginning of the voyage, not more than once in 5 days, and not more than once in the same port on the same entry. If a master does not comply with this subsection, the seaman is released from the agreement and is entitled to payment of all wages earned. Notwithstanding a release signed by a seaman under section 10312 of this title, a court having jurisdiction may set aside, for good cause shown, the release and take action that justice requires. This subsection does not apply to a fishing or whaling vessel or a yacht. [However, this subsection applies to a vessel taking oysters.]

* * * * * * *

(h) Subsections (f) and (g) of this section do not apply to a fishing or whaling vessel or a yacht. [However, subsections (f) and (g) apply to a vessel taking oysters.]

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§ 10314. Advances

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(e) This section does not apply to a fishing or whaling vessel or a yacht. **[**However, this section applies to a vessel taking oysters.**]**

* * * * * * *

§ 10504. Wages

(a) After the beginning of a voyage, a seaman is entitled to receive from the master, on demand, one-half of the balance of wages earned and unpaid at each port at which the vessel loads or delivers cargo during the voyage. A demand may not be made before the expiration of 5 days from the beginning of the voyage, not more than once in 5 days, and not more than once in the same port on the same entry. If a master does not comply with this subsection, the seaman is released from the agreement required by section 10502 of this title and is entitled to payment of all wages earned. Notwithstanding a release signed by a seaman under section 10312 of this title, a court having jurisdiction may set aside, for good cause shown, the release and take action that justice requires. This subsection does not apply to a fishing or whaling vessel or a yacht. **[**However, this subsection applies to a vessel taking oysters.**]**

* * * * * * *

(d) Subsections (b) and (c) of this section do not apply to:

(1) a vessel engaged in coastwise commerce.

(2) a yacht.

(3) a fishing vessel **[**(except a vessel taking oysters)**]**.

(4) a whaling vessel.

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§ 10505. Advances

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(d) This section does not apply to a fishing or whaling vessel or a yacht. **[**However, this section applies to a vessel taking oysters.**]**

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§ 13103. Allocations

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(c) The Secretary may allocate not more than 5 percent of the amounts available for allocation and distribution in a fiscal year for national boating safety activities of national nonprofit public service organizations.

(d) Before making any allocation under this section for a fiscal year, the Secretary shall retain not less than one percent nor more than two percent of the amount appropriated for such year for State recreational boating safety programs for the payment of costs of administration of this chapter.

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